# BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

Council of the County of Maui

# **MINUTES**

# November 16, 2023

# **Online Only via BlueJeans**

**CONVENE:** 1:35 p.m.

- **PRESENT:** Councilmember Yuki Lei K. Sugimura, Chair Councilmember Tasha Kama, Vice-Chair (out 4:50 p.m.) Councilmember Tom Cook, Member (out 4:54 p.m.) Councilmember Gabe Johnson, Member Councilmember Alice L. Lee, Member Councilmember Tamara Paltin, Member (in 1:40 p.m.) Councilmember Shane M. Sinenci, Member
- **EXCUSED:** Councilmember Keani N.W. Rawlins-Fernandez, Member Councilmember Nohelani U'u-Hodgins, Member
- **STAFF:** James Krueger, Senior Committee Analyst Kasie Apo Takayama, Senior Committee Analyst (back up) Carla Nakata, Legislative Attorney Yvette Bouthillier, Senior Committee Secretary Jean Pokipala, Council Services Assistant Clerk

#### Additional staff

<u>Executive Assistant for Councilmember Tom Cook</u>: Stacy Takahashi

Executive Assistants for Councilmember Gabe Johnson: Kate Griffiths Autumn Ness Axel Beers

<u>Executive Assistant for Councilmember Tasha Kama:</u> Evan Dust

Executive Assistant for Councilmember Alice L. Lee: Michele McLean

<u>Executive Assistant for Councilmember Keani N.W. Rawlins-Fernandez</u>: Haunani Madela

November 16, 2023

	<u>Executive Assistants for Councilmember Shane M. Sinenci</u> : Dawn Lono Gina Young
	<u>Executive Assistant for Councilmember Nohelani U'u-Hodgins</u> : Laura McDowell
	<u>Residency Area Office (RAO)</u> : Roxanne Morita, Council Aide, Lāna'i Residency Area Office Zhantell Lindo, Council Aide, Moloka'i Residency Area Office Bill Snipes, Council Aide, South Maui Residency Area Office
ADMIN.:	<ul> <li>Laksmi Abraham, Executive Assistant, Office of the Mayor (BFED-21(10))</li> <li>Scott Teruya, Director, Department of Finance (BFED-35, -46)</li> <li>Marcy L. Martin, Real Property Tax Assistant Administrator, Department of Finance (BFED-35, -46)</li> <li>Rogerene "Kali" Arce, Director, Department of Agriculture (BFED-46)</li> <li>Maria Zielinski, Budget Director, Office of the Mayor (BFED-48)</li> <li>Lesley Milner, Budget Specialist, Office of the Mayor (BFED-48)</li> <li>James Landgraf, Deputy Director, Department of Water Supply (BFED-48)</li> <li>Ortaine Acidera, Waterworks Fiscal Officer, Department of Water Supply (BFED-48)</li> <li>Patience Kahula, Program Director, Community Development Block Grant, Office of the Mayor (BFED-21(11))</li> <li>Laurie Fukushima, Specialist, Community Development Block Grant, Office of the Mayor (BFED-21(11))</li> <li>Chandee Kauhaahaa, Specialist, Community Development Block Grant, Office of the Mayor (BFED-21(11))</li> <li>Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel</li> </ul>
OTHERS:	Lisa Darcy (BFED-21(10)) Brian Hauser (BFED-21(10)) Zandra Amaral Crouse (BFED-21(10), -35, -46) Peter Horovitz (BFED-35) Annette Niles (BFED-46) Greg (BFED-35) Jacee Law (BFED-35) Robert Bence (BFED-35, -46) Michael William (BFED-35) Tom Croly (BFED-35) Others (22)

#### November 16, 2023

Other Resource Personnel

- Chung Chang, Strategic Broadband Coordinator, State Department of Business, Economic Development & Tourism
- Garret Yoshimi, Vice President for Information Technology and CIO, University of Hawai'i

Jeanne Skog, Partner, Skog Rasmussen LLC

- Jeannine Souki, Senior Manager of Government & Regulatory Affairs, Hawaiian Telcom
- Daniel Masutomi, Director of Strategic Business Development/Network Planning & Administrator, Hawaiian Telcom
- Kalani Andrade, Senior Manager of OSP Network/Network Planning, Hawaiian Telcom

**PRESS:** Akakū: Maui Community Television, Inc.

CHAIR SUGIMURA: ... (gavel)... Good afternoon, everybody. Welcome to the Budget, Finance, and Economic Development Committee. Today is November 16th, it is now 1:35 p.m. Welcome, everybody who is here today, and thank you very much for coming, even if there's the...all that excitement going on at Thank you very much for a Native Hawaiian Chamber the MACC. Advancement [sic] there. Amazing, right, what's going on? So, whoever from the Council could make it, nice to see you. Mr. Sinenci, because I saw you there, thank you very much for being there. So, this is Budget, Finance, Economic Development Committee, and this meeting is being conducted in accordance with the Sunshine Law. And as a...as a reminder, when your name is called, if you're not in the Council Chamber, please notify by name who, if anyone, is in the room, vehicle, or workspace with you today. Minors do not need to be identified. Mr. Sinenci, you're going to have to name all the people at ... (laughing)... So, at this time then, I'd like to welcome the MACC. Vice-Chair Kama. Thank you very much for coming to the MACC this morning with CNHA, and nice seeing you here.

VICE-CHAIR KAMA: Aloha 'auinala, Chair. It's good to be here this afternoon.

CHAIR SUGIMURA: Aloha. Next we have Councilmember Gabe Johnson. Thank you very much also for coming to the MACC this morning.

COUNCILMEMBER JOHNSON: Konnichiwa, Sugimura-san.

CHAIR SUGIMURA: Konnichiwa.

COUNCILMEMBER JOHNSON: [Spoke in Japanese] dekimasu.

CHAIR SUGIMURA: Oh, I better practice my Japanese.

### November 16, 2023

COUNCILMEMBER JOHNSON: Gabe Johnson, tomoshimasu.

CHAIR SUGIMURA: Oh, my God --

COUNCILMEMBER JOHNSON: [Spoke in Japanese] --

CHAIR SUGIMURA: -- we need translation.

COUNCILMEMBER JOHNSON: -- Lāna'i City ... (inaudible)... Lāna'i District Johnson [Spoke in Japanese]. So, there's nobody at the Lāna'i District office. I saw that the Alice...Chair Alice Lee put in the...greeting of the day is in Japanese, so I figured I'd go off.

CHAIR SUGIMURA: ... (laughing)...

COUNCILMEMBER JOHNSON: And yeah, that's it. Thank you so much, Chair.

- CHAIR SUGIMURA: Very good. Okay, now you're going to have to speak Okinawan too.
- COUNCILMEMBER JOHNSON: The only thing I know in Okinawan is aki samiyo, which means like...like, oh, my goodness.
- CHAIR SUGIMURA: ... (laughing)...
- COUNCILMEMBER JOHNSON: That's about as hard core as they get for their swear words.
- CHAIR SUGIMURA: That's pretty cool. Okay, next we have Councilmember--okay, I don't see Keani--so, Tom Cook.

COUNCILMEMBER COOK: Aloha, Chair.

CHAIR SUGIMURA: Aloha.

- COUNCILMEMBER COOK: Good afternoon.
- CHAIR SUGIMURA: Good afternoon. And Councilmember Nohelani U'u-Hodgins is not at the meeting, and is excused. And next we have with us Member Sinenci.
- COUNCILMEMBER SINENCI: Konnichiwa, Chair. We're grateful for the...the staff at Maui Arts and Culture Center to provide us a space here at 1 Cameron Way. I'm sorry I missed the dedication this morning, I had a previous engagement, but I'm here in a...in a office next to Art by myself.

### November 16, 2023

- CHAIR SUGIMURA: Aww. He said he was, Art Vento this morning, he said he was happy to be able to help you and Tamara with office space, so that's great. And last, but not least, our favorite Chair, Chair Lee.
- COUNCILMEMBER LEE: Konnichiwa. Konnichiwa, everyone. Nice to see all my chickadees.
- CHAIR SUGIMURA: Konnichiwa. So, we are all here. Excused is Member Nohe U'u-Hodgins, as well as Keani Rawlins-Fernandez, I don't see her, and then Tamara Paltin. So, we have actually three that are excused for now. From the Office of the Mayor, I would like to really thank Laks Abraham, Executive Assistant to the Mayor, who is handling the broadband issue and everything else, I see your name connected with it. So, thank you very much for being here and putting this first item together.
- MS. ABRAHAM: Konnichiwa, Chair. Konnichiwa, Vice Chair. Konnichiwa, Committee Members.
- CHAIR SUGIMURA: Konnichiwa. From the...also from the Mayor's Office, Maria Zielinski, though I don't see her; and Leslie Milner, Budget Specialist. And Patience Kahulu...Kahula, who is the CDBG Program Manager [sic]; and Laurie Fukushima, CDBG Specialist; Chandee Kauhaahaa, CDBG Specialist also. And Department of Finance, we saw...I saw, Scott Teruya in the audience, as well as we have Marcy Martin for the Real Property Tax items. From the Department of Agriculture, we have Kali Arce, the Director, regarding the RPT for ag lands. And Department of Water Supply, James Landgraf, Deputy Director; Ortaine Arcadia....Aceedera--how do vou sav her last name...somebody? Acidera...sorry...Acidera, Fiscal Officer. Is there Helene Kau also? We met with them. No? No. Okay. Department of Corporation Counsel, Kristina Toshikiyo, I think she's probably online. And I just see Tamara Paltin. Good afternoon, Tamara Paltin, from the MACC.
- COUNCILMEMBER PALTIN: Aloha 'auinala kākou, broadcasting live and direct from the MACC. I am alone in a private office, locked in by myself.
- CHAIR SUGIMURA: Okay. ...(*laughing*)... Okay. Very good. Thank you for being here. And Members, all of you may know that she was on the program, and she specialized in speaking as one of presenters two days ago. I kept on saying yesterday, but it was actually on Tuesday. So, thank you, Tamara. I'm sure it was about West Maui and its recovery, so thanks for all the work you're doing. Other Resource Personnel, we have, for the first item, the broadband item, Chung Chang, which is Strategic Broadband Coordinator, State Department of Economic Development and Tourism. Garret Yoshimi, Vice President for Information Technology and CIO, University of Hawai'i. Thank you, I've been

### November 16, 2023

hearing about your good work also, so thank you very much. Jeanne Skog, Partner with Skog Rasmussen, who I think who is on contract with the County, as well as the State, to help us with this broadband issue, so important. And from Hawaiian telephone...Hawaiian Telcom, we have Daniel Masutomi, Director of Strategic Business Development/Network and Planning...Planning & Administrator; Kalani Andrade, Senior Manager of OSP Network...OSP Network/Network Planning. And those are our Resource Personnel, Members. I hope you will allow me to bring them in as resource in the meeting.

# COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: Thank you. Members, that would be under Rule 18(A) for the And of course, this meeting could not happen without resource staff. Committee Staff, Yvette Bouthillier--thank you very much, Yvette, she's our Senior Committee Secretary--James Krueger, as well as Kasie Apo Takayama, our Senior Legislative Analysts, who work really hard for this--and I just told them, budget is coming up, so be ready--Carla Nakata, our Legislative Attorney, as well as Jean Pokipala, Council Services Assistant Clerk. Thank you, Members, for attending today's BFED meeting. And we have five items on the agenda today, so we have a pretty aggressive agenda. The first item, which we have everybody lined up for already, thank you very much, is the broadband item, BFED-21(10), Broadband and Digital Equity in the County of Maui; BFED-35, Real Property Tax Exemptions for Properties Impacted by Natural Disasters and...and Wildfires, that's a Real Property Tax Bill which is a huge one for today; RPT 46 Bill 103, Real Property Tax Rate Tiers and Dedicated Lands for Agricultural Use--and this is a Gabe Johnson bill, thank you very much, Gabe, we have it on the agenda; and BFED-48 Bill 108 (2023), Amending Fiscal Year 2024 Budget, Appendix B, Department of Water Supply--and this item was about the use of water during this wildfire emergency; BFED-21(11): Committee Development Block Grant, CDBG Grant Cancellation and Reprogramming of Funds. And please see the last page of the agenda for information or meeting connectivity. Members, because we have guests here for our first item, we'll be taking up testimony item by item today. And so, let's proceed with the first item.

# ITEM 21(10): BROADBAND AND DIGITAL EQUITY IN THE COUNTY OF MAUI (RULE 7(B))

CHAIR SUGIMURA: The first item on the agenda is about broadband, and it is Broadband and Digital Equity in the County of Maui. And today we have opening comments, as our resource staff, from members that I introduced earlier. And I look forward to this presentation because this is the first presentation we're having formally regarding broadband. And all of you must have been hearing about this nationally because there's so much funding that

### November 16, 2023

has put in, and all of us need to work hard to make sure that Maui gets our fair share. So, with us today we have State DBEDT Chung Chang, which is the Strategic Broadband Coordinator; and from UH, we have Garret Yoshimi, Vice President for Information Technology and CIO; as well as to provide the Administration's input on this topic, we have with us from the Office of the Mayor, Laks Abraham, Executive Assistant; and the Office Enrollment...oh, Consultant, rather, Jeanne Skog, Partner with Skog Rasmussen LLC. I've also invited representatives from Hawaii [sic] Telcom to share with us a project they have been working on related to broadband. And Jeanne...Jeannine Souki, Senior Manager and Government & Regulatory Affairs, is the first person who spoke to me...oh, she was with also, I guess, Daniel Masutomi--oh, no, no, it was Kalani Andrade that came to see me first, and that was actually the latter part of last year, and they've been kind of standing by waiting until we are ready to hear the broadband issue. So, I appreciate them for waiting until we could kind of catch up with them...them and hear about their project. But today, who will be presenting will be Daniel Masutomi, Director of Strategic Business Development/Network Planning & Administrator, as well as Kalani Andrade, both on the Hawaiian Tel project...Hawaiian Telcom project. We'll take presentations first and opening comments from our resources before proceeding with public testimony. So, at this time, I'm going to turn the floor over to Laks Abraham, hear from our resources, and then they will go into Hawaiian Telcom before we take any public testimony. Laks Abraham, nice to see you here. Take it away.

MS. ABRAHAM: Nice to see you as well, Chair. Thank you. Aloha Vice-Chair, Chair, Committee Members. Thank you for your time this afternoon. As you all know, the Office of Mayor has been working collaboratively with the State, specifically University of Hawai'i, and DBEDT, and the statewide Broadband Hui to support efforts to secure broadband infrastructure funding for Maui County through the NTIA, which also stands for National Telecommunications and Information Administration's BEAD funding program. BEAD, also known as Broadband Equity Access and Deployment Program, provides Federal funding to address broadband...broadband planning, deployment, mapping, equity, and adoption projects and activities. Our goal with this project is... is to ensure high-speed broadband Internet connectivity for everyone in Maui County, especially in rural communities, such as Moloka'i, Lāna'i, and Hāna, and other areas where Internet service is extremely slow or outdated. With the recent impacts of the Maui wildfires, we had to quickly pivot our priorities to recovery efforts in the...in the Mayor's Office. In response to keeping this vital work moving forward, and to remain in compliance with our established timeline with our partners and our Federal deadlines, we outsourced this work to Skog Rasmussen LLC to ensure our efforts to secure funding for Maui County would continue to move forward. At this time, I would like to hand it over to our consultant, Jeanne Skog, who will be taking the lead for Maui County on broadband efforts, and she will give a few remarks about how they're going to

### November 16, 2023

be interacting with the County of Maui, and then she'll introduce our other speakers today. Jeanne?

- MS. SKOG: Thank you, Laks. Good afternoon, everyone, Chair Sugimura and Vice-Chair and Committee Members. It's really nice to see you and be here. Building on what Laks just shared, I wanted to give you a little more background about how our previous work ties into what we will do with the County broadband team. Since February of this year, Skog Rasmussen has been part of a team to develop the Hawai'i Digital Equity Plan. The plan is nearing completion, and you'll hear more about the details of that from Chung Chang. That plan entailed extensive outreach to understand the barriers to access and affordability of broadband resources. What we heard was both sobering and, at times, heart-wrenching, like the Moloka'i business that pays three Internet plans to be sure that they can meet deadlines for filing documents; or the mom who drives to the McDonald's parking lot, so her daughter can use their free Wi-Fi to do homework; the young man who shared that a hardware store wanted to hire him, but he did not know how to use Microsoft Word; and then the kupuna who lost thousands of dollars to a scam she did not recognize as a scam. There are many, many, more stories like these that really motivates us even more to do something. Broadband is not a luxury, it is a basic necessity. Building on everything we learned from the Digital Equity Outreach, we responded to Laks' request to have the County team meet hard deadlines of UH's BEAD plan process. BEAD addresses broadband infrastructure, which Garret Yoshimi will describe in more detail. With the County team, we will again go hyper-local, as we call it, reaching out to community and groups and individuals on Maui, Moloka'i, and Lāna'i to identify and understand gaps and needs of residents on each island from an infrastructure perspective, to lift those voices, and ensure that Maui County's needs are represented as decisions on policies and funding are being made, and to maximize, as Laks says, our position for funding from the unprecedented appropriations destined for the State of Hawai'i. As we connect with our communities, we look to you to guide our interactions with your constituents and to encourage them to respond. The team really looks forward to keeping you informed, and will work closely with you as plans unfold. We know it's a delicate time, but the time is now for securing once-in-a-lifetime funding that can ensure broadband is a robust part of our recovery and resilience. I am pleased now to welcome and introduce Garret Yoshimi. Garret is the Vice President for Information Technology and Chief Information Officer at the University of Hawai'i. He has the very demanding task of leading the development of the BEAD. BEAD is a major component of the broadband thrust in Hawai'i. So, take it away, Garret.
- MR. YOSHIMI: Thank you Jeanne. Thank you very much. And Chair, Vice-Chair, Members of the Council, thank you very much for letting us come and share some of the information. We've improvised some updates on some of the

### November 16, 2023

activities we've been doing over the last...feels like forever now, but the thing with the Federal funds is, it's wonderful to have the opportunity to get large amounts of Federal dollars into the State and, in particular, into the counties, but you know what? No such thing as free, so it all comes with a bunch of stuff that we also have to do along the way. Can I get the...the slide deck up? What I'd like to do is just cover a couple of quick points from...from a very high level, to give you an idea of what this opportunity looks like, and some of the different pieces that are very important to us in terms of several Federal funding program stems that, combined together, are really going to give us a big shot in the arm, in particular to support broadband. And the tagline from the Federal Government is Internet-for-all. This is really, again, once-in-a-lifetime opportunity. We've never seen this scale of funding provided to states and territories. I mean it's...it's just an awesome opportunity for us to be able to do this. Connect Kākou is the...is the...the name for the program. It's an umbrella name, and I'll do my best Lieutenant Governor Luke stunt double imitation here, but about a week and a half ago, she...she broke the...the new name for our overall initiative. Connect Kākou collectively refers to all of the different programs and all of the different opportunities that we have. It really gives us a way to glue and stitch the opportunities together so that everybody is operating together. And, you know, in spite of the fact that this is a large amount of money, it's...we just have to do the best we can to maximize the oppor--to maximize the benefit of these funds to all of our citizens and all of our residents. It's very important for us to...to make sure that we, number one, follow all the rules; and, number two, make sure that we take everybody's input, and everybody has the opportunity to get connected to the Internet, and have an...have an meaningful opportunity to...to benefit from the resources that are available. Next slide please? So, just briefly, five different primary tranches that make up the different Federal programs, these are the major components, the largest numbers that you will see that make up the hundreds of millions of dollars in Federal funds that will flow into the State. We talk...I'll talk about each of the five very briefly, and then give you a quick summary of where the efforts on the infrastructure-related projects sit. And then, before I pass it over to Chung to talk about digital equity, I also want to add some additional insight that we've been able to gain with the Federal Government partners, in particular, as to how we will be able to support the Maui County efforts. So, first and foremost, the...the largest of the programs, the BEAD Program, Broadband, Digital...Broadband, Equity, Access and Deployment--kind of a mouthful, you have to remember to say it...you say it 50 times, you'll probably get it right at some point in time--but this represents almost \$150 million into the State in Federal dollars. This will also include a substantial match in State monies to come up to almost \$200 million in total funds allocated towards the Broadband, Equity, Access and...and Deployment program. The program is, first and foremost, an infrastructure deployment program, so its highest priorities are to make sure that the unconnected, the folks that are unserved and underserved throughout the State at their

### November 16, 2023

residences, have access to high-speed Internet. And high-speed Internet, in this definition, means at least 100 megabits down and 20 megabits up, so relatively high-speed Internet. We consider that the floor. That's the Federal definition. But what we'd like to do is make sure the infrastructure that we build across the State has the capacity to go much farther than that. If you look back at some of the...of the study efforts that were done around the State almost 15 years ago, the...the goal at that point was really gigabit Internet for everyone, and that's really what we want to try and make sure that we strive for going forward. We will absolutely make the...the minimum requirements that are set out by the grant programs, but we want to make sure that the infrastructure that's built is forward-looking, and is able to support the future of the Internet as well, for...for all of our residents. Broadband Equity, Access and Deployment, the BEAD program, also has some other nondeployment funding opportunities as well, but it comes after we've allocated sufficient funds for the unserved and underserved areas, as well as the...the institutions that are called community anchor institutions. These community anchor institutions are also highly important to make sure that our communities are well served. You can think about community anchor institutions as the gathering places in your community. The...the things that come to mind most often, schools and libraries, you know, places that the community already gathers and already goes to get support services, get access to information materials. The community anchor institution concepts under BEAD are really to make sure that these institutions have access to gigabit-class Internet access. You know, so again, making sure that all of the folks that are in our population have access to what they need. The second of the two, Capital Projects Fund, is from the U.S. Treasury. So, this is...the rest of the programs are all NTIA programs, National Telecommunications Information Administration programs. The Capital Projects Fund is a Treasury program done in a similar fashion, but for the State of Hawai'i, and \$115 million for the State of Hawai'i, is primarily focused at making sure we can add significant capacity and resilience to our connections between our islands. I think some of you are familiar with some of the interruptions in service that have occurred in the prior years. The most...the one that sticks out in everybody's mind was in 2019, the County of Kaua'i was cut off for at least a day, sometimes a little bit more depending on where you lived on the island, by a submarine fiber cut. So, this is really the...the public's injection of capital into a new system that will feed all of the islands--so Big Island, Maui, Moloka'i, Lāna'i, O'ahu, and Kaua'i. In part, in doing that, one of the other benefits we will get is--and we are starting to realize this already--is we will get additional interest in future transpacific cable landing. So, not just connecting our islands together, but also making sure that Hawai'i has additional resilience to connect to the rest of the world. The Tribal Broadband and Connectivity Program, the one in the middle, it's a specialized program. So, tribal, Hawaiians are not tribal, but fortunately, our Congressional delegation had the foresight to write in specific language in the Tribal Broadband Connectivity Program to make sure there

### November 16, 2023

were funds allocated specifically to the State of Hawai'i. So, under that program, out of a \$3 billion total program, upwards of \$90 million is going to be available through the Department of Hawaiian Home Lands, specifically to address infrastructure supports on Hawaiian Home Lands. If you think about the State as a whole...so Hawaiian Home Lands has...has this particular shot coming in from the Tribal Broadband and Connectivity Program. In addition to that, for Hawaiian Home Lands, we also have the BEAD program which overlays on top of it, so it makes sure that there's no funding gaps or holes that exist, so that we can get our Hawaiian Home Lands properties well covered. The fourth program, Enabling Middle Mile Program, was actually a competitor program run...a national competitor program run by NTIA. Actually, it's great that the folks from Hawaiian Telcom are here because they're the ones that were representing Hawai'i and were awarded \$37 million in Federal funding to enhance and upgrade large and significant portions of their own infrastructure connecting the islands, as well as some of the key connection points on island. So again, great opportunity, and it...it's great to see that we'll hear from them later in the program. Then finally, the Digital Equity Act. The...the monies you see there, the \$570,000, just represent the State DE planning funds, and then, once the DE plan is approved, there will be opportunities for additional funds that Chung will also talk about in his segment. Give you a couple of things that are in flight now, the things that...that are in motion. In our Capital Projects Fund work, we are actually very close to being able to secure contracts to...to build that new interisland submarine system. So, I tell everybody any day now, but when you get a bunch of attorneys involved on a piece of paper, sometimes any day now takes a little bit of time. So, we're hoping, we're pushing gently, but we are very encouraged that we'll be able to...we'll be able to get that...that project under contract. And then, once that happens, we'll be able to share quite a bit more about exactly what the project entails, time frames, and the specifics of what gets connected with this new system. The other status update I'd like to provide is on the BEAD project. As both Laks and Jeanne had mentioned, yeah, we have some fairly tight time frames that we want to make sure we hit so that we stay in cadence with the...with the NTIA's BEAD program execution. One of those things is completion of something called the initial proposal, which describes in a very high level of detail all of the different locations, including community anchor institutions, that we want to try and connect with this money. It also describes how we will administer the program, the...the processes we will go through to make sure that that is the right...or those are the right dots to connect on the map, as well as how we will go through acquisition of the contractors to actually build this infrastructure. So, the good news is that the...the program draft is complete and posted for public comment. The even better . . . (inaudible). . . County is, this is not your last chance to get stuff in there. You know, we have a public comment period open. The...the initial proposal is going to get submitted probably close to the end of the year. But we have also been in lengthy discussions with NTIA, with our Federal partners, to make sure that, especially because of the special situation

### November 16, 2023

here on Maui, the disaster...that's just a disaster that everybody's eyes and attention are...are absolutely to wildfire recovery, there's just so much attention being put there that--you know, this wasn't the right time to go and hold a bunch of different meetings, get your input on broadband, and try and figure out how to...how to put those additional pieces into the initial proposal and move us forward. But instead, what we...we have been able to do, again, is get our Federal partners to work with us to make sure that we can provide some...in the plan, we'll actually call it Contingency for Maui County, so that there is additional time available so that we can continue to get input from Maui County. And, in fact, the other part that's really--we just had an additional conversation this morning with our Federal partners--the other thing that's really important in the case for Maui County's recovery is, we...we are intending to make sure that the BEAD funds can be used to supplement the...the existing inflow of FEMA and insurance monies that are primarily targeted at...at rebuilding, but to make sure that over and above that, that the...that the BEAD monies can also be used to supplement infrastructure money...telecom infrastructure money to support, not just the direct affected folks in the...in the Lāhainā area, in the Kula area, but also to make sure that Maui County's infrastructure is...is really what it should be, is world class. Let me stop there and, you know, I think we'll have time for questions afterwards, but let me introduce next Chung Chang from the Department of Economic Development and Tourism, and he's going to talk about what is really, in our minds, the key part to making the Internet use meaningful to everybody. It's not just the connection, but it's also about making sure folks have the ability and the...the knowledge and the wherewithal to use the connection properly. Chung.

MR. CHANG: Thank you Garret. Can I get the Digital Equity slides up? Thank you. Next slide. So, as Garret said, so we have the connectivity. Garret's team has done their work to put the lines out, get you all connected. So, what do we do with that connection? Let me provide you with some foundational information. So, digital equity, what...what is that? According to the National Digital Inclusion Alliance, it's defined as a condition in which all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy. It is necessary for civic and cultural participation, employment, lifelong learning, and access to essential services. So, basically, it means you're connected, but you also need the devices and the...the training, and the...the knowhow to use that technology to be a full participant in now, what we are in, is the digital, you know, world. Next slide. So, Jeanne mentioned that we're at the...the tail end of producing a digital...State Digital Equity plan. Our plan is to submit the final draft to NTIA by end of this month. What is that Digital Equity Plan that we're...we've been producing? We've spent the better part of the year in producing this document. So, I'll provide you a little bit of background in...in later slides, but what it is, is it's...it's a roadmap for the State of Hawai'i that...it ensures that we have the

### November 16, 2023

opportunities for our communities to have the...the career development, socializing, healthcare ability. And so, it sets the parameters for us to further develop and develop more detailed plans so that our communities have these conditions so that they can fully participate in the society. Next slide. There are these covered populations that we've identified, one we were required to provide these digital equity coverage for. So, we have to provide, assess, and...and have covered...these covered households; kūpuna, incarcerated individuals, veterans, individuals with disabilities, individuals with language barrier, racial or ethnic minorities, rural residents, and Native Hawaiians. I won't go into the...the definition, but they're pretty self-explanatory, and the slides are available for...if you need to see the details, and I'll let you know how we can see more details of these slides. Next slide please. So, what is our vision with this equity plan? Our vision is that all who call Hawai'i home have the confidence, ability, and pathways to thrive in a digital world. And the mission is to design and enable systems that perpetual...perpetually empower our people through access to digital resources. Next slide. As Jeanne had mentioned, we, through Skog and Rasmussen, went throughout the State, held various focus groups and interviews to help us develop this plan. So, as you can see, if you look on the...the Maui County, we've had four focus groups and three interviews on Moloka'i; on Maui we had six focus groups, six...with eight interviews; and on Lāna'i we had two focus groups and four interviews. So, very good sampling for Maui County. Next slide. The timeline for 2023 shows what we've done this year, from planning from February all the way, if you come across. The timing is a little bit off, so our public comment ended in October, and November is when we're doing the...the finalizing of the Digital Equity Plan. And so, this whole year culminated in our production of the...the Digital Equity Plan. So, it involved having those focus groups/interviews, doing the outreach, and we continue to do the outreach, partnering with the UH team. As they do their presentations, we are continuing to go out, even after we were done with our public comment period, to...to present our Digital Equity Next slide. So why are we doing this plan? So, one, we're helping Plan. identify the needs in the communities, but it also is an opportunity for us to bring in additional funds on top of what Garret had presented. We're estimating...although the notice of funding opportunity has not come out, we're estimating about 14 to \$15 million in Federal grants to help us actually implement these...these plans. So, that's called...if you look on the chart right about...between April and July, we're expecting a Digital Equity Capacity grant with a deployment, perhaps is starting as early as summer of next year. In addition, just below that, right before July, there's also a Competitive Grants Program, an opportunity for institutions, agencies other than the State, to be able to apply for these competitive grants for digital equity. Next slide. We have very detailed strategies, and I don't want to go into details too much, spend too much time on it, but these nine strategies address the following. It provides strategies for lifelong...to producing lifelong digital learners, to continue learning, to be part of the digital world. It's designed to be inclusive, and allow

### November 16, 2023

individuals and communities to access online resources, to allow for safe and affordable devices, broadband connectivity, lifelong digital literacy training, development of a digital navigator program, and also have plans for disaster response capabilities and resiliency...also for us to seek additional funding and investment...and to create investment policies for the State. And it also...the strategy also involves capturing data so that we can continuously measure progress, and propose needed policies, and to develop future strategies. So, it's short...short, but the...the slide deck that we presented to the Council has a little bit more details on the...these strategies. And the...the actual full strategy is...Digital Equity Plan, is available on broadband.hawaii.gov, and you're welcome to read all 156 pages of the document if you wish. But I encourage you to actually look at the...the Digital Equity Plan, the strategy that applies the most to you, either your...for your constituents or your community. So, it's best to just read it from that point of view, rather than trying to read the whole thing and try to digest it. It's a, you know, very detailed and...it's a lengthy plan, but that would help you, you know, just be a little bit more focused on what part of the Digital Equity Plan you...you should focus on. Thank you.

- CHAIR SUGIMURA: Very good. Thank you. Thank you, Chung Chang. And next, we have the resources from Hawaiian Telcom, and then we'll have any testifiers that have...may have signed up after. So Hawaiian Telcom. They're online, right? Okay. Here we go.
- MR. MASUTOMI: Hi, can you folks hear me okay?
- CHAIR SUGIMURA: Yes. Can't see you very well, but...
- MR. MASUTOMI: Yeah, it's over here. I apologize. Hey, Kalani, are you also on?
- MR. ANDRADE: Yeah. I'm available. I'm on.
- MR. MASUTOMI: Okay. Are...are you going to put up the...the slide deck?
- MR. ANDRADE: Yep.
- MR. MASUTOMI: All right. Thank you, Chair, and Vice-Chair, and Councilmembers, you know, for this opportunity to share with you folks our Middle Mile plan. I'll give a overview...a quick overview of what the plan was about, and then I'll have Kalani go into some of the details, especially in relation to Maui County, and...and basically where we are today with the grant. So, Kalani, if you can move to the next slide. Okay, thanks. Basically, Hawaiian Tel was, you know, a part of this Middle Mile grant application, which the NTIA approved on June 16th, 2023, and it was a competitive grant of about a billion dollars that was to be shared across the nation. There were, I think, over 62 applicants submitting proposals that totaled over \$2 billion, so we were fortunate enough to get

# November 16, 2023

a...awarded our grant for 37 million. Hawaiian Tel is doing a match of that grant of over 50 percent, to bring the total project cost to nearly 90 million. We're particularly excited about this design in the grant funding that you'll see shortly because it allowed Hawaiian Tel not to...not only to address Middle Mile needs for the unserved and underserved areas in our state, but we also were able to address things like climate change, which, you know, will greatly affect our islands in the coming decades, you know, military requirements to better strengthen their backbone, and even the Hawaiian Home Lands, where we were able to touch upon some of the most rural locations of the DHHL. So, we got a lot of input as we were coming up with our designs from the State and the counties. We visited many of you, and discussed things, your needs and...and where you saw gaps. And then we also got input from the military, unserved communities, and even our competitors, our carriers. We talked to them to see how we could improve the Middle Mile network infrastructure across the State. And so, what Kalani is about to go over is the result of that. It's what was approved by the NTIA, and it's what we're currently implementing. So, with that, I'll turn you over to Kalani.

MR. ANDRADE: Good afternoon, everyone. Hopefully you can hear me okay. And thank you for the opportunity for us to share this information with you. I think we've briefed a few folks in the past, and so this is a high-level overview and some updates as to where we are with the program now that it's in...it's in promotion. So, essentially, what we see in front of us is the...in red is the design that was submitted and approved for the build. Our build includes interisland cable between the major islands, in addition to some festoon routes that we are going to use to address some of the erosion, coastal erosion, climate change, things like that, and some key Middle Mile routes that will help us get off the coastlines, reduce some of the latency throughout the island, and provide some...some diversity throughout the entire state. The white...the white lines that you see are existing networks, interisland cable, so there's Sandwich Isles Communications...or Paniolo rather, Hixon Hyphen cables that are current systems on the interisland side. And so, with our design, we're looking at a...a northern route, and will provide full range diversity for each island in addition to every...to the entire state. And so, I will jump into and go island by island on some high-level details on our designs. And so, essentially, on Kaua'i you'll see what we've identified in...in some of the routes is...the hatched areas in red are representative of Department of Hawaiian Home Land areas, which are considered underserved or unserved, and the light hatched blue areas are what we consider Connect America art off or CALF funding areas that are qualified by the Federal Government. So, our design looked not only to incorporate the initial requirements for the State, but provide broad...broadband connectivity to these major underserved areas. On the Island of Kaua'i, specifically, we're starting on the left side of the island at Pacific Missile Range, PMRF, in coordination with them in providing some mission-critical readiness for PMRF. It provides them another diverse path. And from there, we...we extend out into

### November 16, 2023

the ocean in what we call a festoon route. So, from PMRF, we'll festoon out into the ocean and bring our cable into Princeville. And so, we'll land in Princeville, festoon again, and land within this Department of Hawaiian Home Lands parcel, which is Anahola, where we have a building facility and eventual cable landing station. This route is going to be critical and essential for the Island of Kaua'i. As we know, storms, floods, hurricanes have caused a major impact to that island, especially on the north side. They've been exposed to landslides and flooding, which has left a lot of the communities on the northern side of the island isolated for days, weeks, and months on end, sometimes before the road can clear and communications are restored. So, essentially, this...this festoon route prepositions communication infrastructure off of the coastline and...and then allows a diverse path. The areas that are identified...or the routes identified in green are existing telecommunication routes. So, now, with this red infrastructure, in addition to the existing infrastructure that's on Kaua'i, this island will have full ring diversity to...to allow the resiliency and...and to maintain services should some kind of event occur on that island. So, from Anahola, we have a brand-new interisland cable route that leaves Anahola and lands up in the North Shore, or Hale'iwa area of O'ahu. This is a...a critical route as well. It brings the infrastructure directly into central O'ahu. It ties in to a major backbone system that runs through the central O'ahu, which will bring it to Wahiawa, you know, Pearl City and downtown Honolulu. Within this route, in this corridor, there are major military institutes and facilities, critical infrastructure for other services throughout the island, and it provides another landing site into the Island of O'ahu. From there, on the central inland routes, we're building three terrestrial routes on O'ahu. The objective is for us to build these routes underground to provide additional resiliency and protection where feasible. And so, essentially, we're building one route out of the Mākaha or Nānākuli area, as well as Waianae area, and that'll go up through Central O'ahu and connect inland towards Wahiawa in this central O'ahu area. Again, it's...it's with the intent of avoiding infrastructure along the coastlines, and...and providing additional capacity and access to some diverse routes for the folks located out on the West Side of O'ahu. From Central O'ahu, we're looking at a brand-new route coming down the center of the island, and this is along H-2 route [sic], and it provides us another diverse path from ... (inaudible)... and other critical infrastructures, but also brings a new route and diversity into a lot of the military institutions that are located in Central O'ahu--Joint Base Pearl Harbor, Hickam and those locations up there, Camp Smith, places like that. There is another small piece that we are building for the military in Joint Base Pearl Harbor, and it's essentially connecting and building a subsea connection from Joint Base Pearl Harbor to Ford Island. Once this route is built, it will provide them much-needed diversity within the Joint Base Pearl Harbor area. It will be a critical task for them to achieve mission critical readiness, you know, in that facility. Let's see. So, from Hale'iwa, we've added a festoon route around the North Shore, and are looking to land that cable into Kaneohe Marine Corps Base. So, this is a key route as

### November 16, 2023

well. As we know, the North Shore, Mokulēia, Kahuku area, the infrastructure for major utilities, power and...and communications are on the coastline, and...and daily, as we're going out there today, we are seeing the road slowly eroding away. And eventually, over the next 10 to 15 years, we expect some of that coastlines and...and roadways to be underwater. So, again, prepositioning from...for some coastal erosion and...and climate change, and...and putting the cable out into a festoon into the water, that will provide us some diversity and some protection as coastal erosion starts to impact that coastline. By landing in Kaneohe Marine Corps Bay...Marine Corps Base, it addresses some of their requirements. It provides them connectivity, additional path, and diversity from the Marine Corps Base to other major military institutions throughout O'ahu, back to Kaua'i as well, and...and eventually, it will provide some connectivity to Maui or Maui Tech Park, if needed. So, from Oʻahu, we have a Okay. brand-new interisland route that will run from O'ahu to the West Side of Moloka'i. Moloka'i is as...another island that is part of Maui County that we feel is very susceptible to dry brush, fires, and things like that so, you know, we're looking at providing additional paths and opportunities should any occurrences happen to try and maintain all communication. So, bringing another route into Moloka'i will provide some of that much-needed redundancy for this island. We are bringing it through our major backbone area, through Central Moloka'i, that will run through Ho'olehua and some other major locations and...and parcels of unserved or underserved areas throughout the Island of Moloka'i. From there, we look at establish a new beach landing on the 'Ualapu'e area, and from there, on Moloka'i, we are establishing a new interisland route from Moloka'i to Maui, and we land up in the Kapalua area, just north of the existing landing site. So, you know, this is a key route. As we know, Maui has been impacted in...in major ways, so I added another path for critical communications to route north to Kapalua, back to Honolulu, and to the world...provides much-needed capacity that we kind of identified early on when we started this design, right, and we understood that there's been history of fires throughout Central Maui, the coastline, the west coast, just to the dry...and the dryness of the areas and the...the climate change that's impacting this island in...in many ways that, you know, we're seeing. By providing additional routes for the traffic will allow those services to be maintained, providing additional options for them as well. We do have a . . . (inaudible). . . area that provides some much-needed connectivity, and it's essentially to tie some Department of Hawaiian Home Land parcels together and provide some infrastructure there that is needed on that location. And then another major route that we're looking at is a...a northern route of the Pā'ia area into...into Some of the area from Hana into this northern region up here is Hāna. prepositioned and...and has been built during our Connect America funding, so there's last mile and some prepositioned structures in there that we can eventually tie in to this route on the north side and bring some much-needed capacity into the East Maui County and the folks out there. What's not shown on this, as part of the NTIA, is another route that we've been working on for some

### November 16, 2023

time and getting...trying to get...work the permitting through is, we're actually building another route from Kula into East County into Hana as well. So, we're trying to get some diversity in here, into the East County Maui because it's a critical requirement, as we've noticed during COVID and other instances, and it's much-needed capacity and diversity to that...to the...the East County area. So that was a major part of our planning and design on the Maui...and...on Maui County. From Maui County, we are establishing a beach manhole and connectivity from Maui to the Big Island which comes into North Kohala. And again, that route is going to be critical. You know, East County is very isolated, and so, should any infrastructure or facilities get cut or damaged during any kind of storm or accident, you know, there's another path that we can route traffic out to from Maui to the Big Island, which provides some diversity for that East County area as well. So, the intent is to provide that...that maintain services and some options for them, as many as possible. Hawi and this North Kohala area is...is very isolated as well, so having another backbone and infrastructure build with additional capacity into that northern Kohala area is going to be critical for the folks. There are some major parcels that we will cross through and reinforce our backbone, and that are HHL [sic] properties, as well as some Connect America funds all throughout Central Waimea area. In addition to that new landing site on the Big Island, we are providing and looking at two inland terrestrial routes. The first one on the north side is connecting from Saddle Road through Mana Road. This gives us another path, it...it provides some infrastructure to a major parcel for Department of Hawaiian Home Lands, and hopefully, with some infrastructure there, it...it'll...it'll allow them to do some economic growth and development in these unused and...and major parcels out there on the Big Island, but also provides us a diverse route should, you know...due to the volcanic activity in the area, as many routes as we can provide, to provide and maintain services throughout Central...Central Hawai'i are going to be critical. So, that is going to be a key route for us to build. And then we have another route that goes from Saddle Road down to Volcano...Volcano Road, and so, again, this is another diverse path. We're never sure on when the next lava flow is going to occur and how it's going to impact our infrastructure on the Big Island, but it is a key piece that we think will help add a lot of diversity and resiliency to the Island of...of So that was pretty...just a...sorry, I kind of blew through it, but I Hawai'i. wanted to get through a lot of points and provide you some updates on...as to where we are with the NTIA now that we've been awarded the program. So, as of today, we've awarded our desktop study for the beach manholes and the The kickoff meeting was today, and so we're moving interisland routes. We're expecting to have the first reports back at the middle of forward. December, and then the final reports back to us in mid-January, first or second week in January. And then once that's done, we'll apply those...the information on the desktop study to our interisland cable system RFP. RFP has been created, and so we're just waiting on the details from the desktop study to implement that, and finalize the final locations and RPLs for those routes.

### November 16, 2023

While that's taking place, we...there are...there are some pretty heavy requirements on the Federal side for permitting, environmental assessment, that we're...we need to do and follow through. So, while that's taking place, and we're working through the permits, we are started designing and issuing civil and permit engineering RFPs for the terrestrial routes. So, we have issued out the RFP for the O'ahu terrestrial routes, and awaiting final bids and questions on that. Last week, we just issued the Maui route RFPs for the terrestrial And so, what...what we're giving the vendors, I think it's a builds. two...three-week timeline to respond, and then a week for questions, and then...and then we'll start looking at awarding those civil...civil engineering and permitting jobs for the Maui routes. We're in progress with the Hawai'i route, the two terrestrial routes on the...on Hawai'i Island, and we hope to have that RFP issued next week and start getting feedback. So, we're trying to do--while we're working on the terrestrial pieces, do it the same time while we're working through the permit process on the wet segments. And then the last piece we have is for Ford Island. We're doing a feasibility study on the existing water main that's been abandoned, and possibly using that, and repurposing that water main for our Ford Island build, from Ford Island to Joint Base Pearl So, that RFP has been issued, we're awaiting final response and Harbor. questions within this week, and we should look to award in the next two weeks. So, this entire build is, you know, a five-year project that we have to build, and so we're doing what we can up front with the time we have to get the permits and everything in place. And...and the next critical piece will be working with the different agencies, just to kind of prioritize this build because the money's there, and we need to make sure it's done and built in the next five-year span. So, we're hoping to continue this outreach, we continue looking for support from the different agencies to help us along with this build for the State. That's what...all I have at this point.

CHAIR SUGIMURA: Kalani, thank you very much. Is that all for Hawaiian Tel?

MR. ANDRADE: Yes.

CHAIR SUGIMURA: Yes. Okay. So, I guess we got the Statewide view for Hawaiian Tel, not only Maui, Moloka'i and Lāna'i, but it's good that they're actually doing something for everybody, and that we were awarded all that money. So, very good. I...at this time then, do we have testifiers signed up for this item? We do?

# UNIDENTIFIED SPEAKER: Um-hum.

CHAIR SUGIMURA: Okay. So, let me go through my speech, if I could. Then we're going to be taking public testimony, this will apply. So, what I'm going to do today is I'm going to take each item, and then do public testimony after. So, this is our first item. And so, we'll now move to the public testimony, and oral

### November 16, 2023

testimony via phone or video conference will be accepted in addition to in-person testimony. Individuals wishing to testify in person may sign up with a Staff member at the entrance of the Chamber. You can join the meeting via BlueJeans and let Staff know in chat if you wish to testify. Because we are taking testimony by item today, please let Staff know what items you will be testifying on. Testifiers wanting to provide video or audio testimony should have joined the online meeting via BlueJeans link or phone number noted in today's agenda. Written testimony is encouraged, and can be submitted via the eComment link at mauicounty.us/agendas. Oral testimony is limited to three minutes per person, and if you are not done, you will be given an additional 30 seconds to complete your testimony. We ask that you state your full name, but if you prefer to testify anonymously, Staff will identify you and refer to you as "Testifier" and assign you a number. You may indicate in the chat if you do not wish to testify; however, chat should not be used for discussion or comments. Please be courteous to others by turning off your video and muting your microphone while waiting for your turn to testify. Once you are done testifying, or if you do not wish to testify, you can also view the meeting on Akakū 53, Facebook Live, or manicounty.us/agendas. Thank you, everybody, for your cooperations [sic], and now, let's proceed with oral testimony. So, how many people do we have for broadband?

- MS. APO TAKAYAMA: Chair, we currently have two individuals signed up to testify.
- CHAIR SUGIMURA: All right.
- MS. APO TAKAYAMA: The first individual is Lisa Darcy, to be followed by Brian Hauser.
- CHAIR SUGIMURA: Lisa?

# ... BEGIN PUBLIC TESTIMONY...

MS. DARCY: Chair. Nice to see everyone. My name is Lisa Darcy, and I am the founder of Share Your Mana, who works very intensely with individuals who are living unhoused and unsheltered. I am also a commissioner on Healing Solutions for Homelessness, and I am testifying as myself today. I am testifying on Broadband and Digital Equity in the County of Maui, BFED-21(10). I am grateful for this presentation, as I have not seen anything like this. I was actually randomly going through some of the Council meetings and noticed that this was really interesting. Anyone who paid attention to any of the Council meetings during COVID knows how active Share Your Mana was in terms of advocating for accessibility, certainly when the community shut down and individuals could not use Wi-Fi. They had no access to gaining information. I literally had to create fliers and hand them out when I would get information

### November 16, 2023

from the County because I lived in a place that had Wi-Fi, so I could actually get information. So, I would actually urge the Council to reassess this project and to include those who are living unhoused and unsheltered and even, whatever's, you know, the ... the project, the tent project that's happening. I know individuals who have lived in the shelter have really struggled with having opportunities to have Internet connectivity, and this is a really costly piece of our...our community. When individuals do not have access and cannot utilize any sort of Internet, they're really living in the dark. And it can be...it can be very costly to them, and it can be time-consuming to agencies, to have to get people up to speed. I noticed that on the slides, I think it was on the one that had the nine covered populations, I think it said page 17, that you had veterans and individuals with disabilities. And I can assure you that many of the individuals that I work with are veterans, and almost everyone has disabilities. So, I would really urge you to be much more thorough in terms of inclusivity. I think it would benefit the entire County, the entire community. It could reduce, I'm not kidding, hospital visits. It can reduce all kinds of needs that people that don't have this kind of access have. And many times, when I've been out doing outreach, I cannot connect to things. I can't get information to people in a timely manner. And yeah, as everyone said, it's...it's really...it's not a luxury, it's a necessity. So, I would really, again, urge this...this Committee to...to dig in a little deeper, and please make sure this community . . . (timer sounds). . . is included. Mahalo, and I appreciate--I'm going to follow this, so, Mahalo for your time today.

- CHAIR SUGIMURA: Good. Stand by for questions. Here we have from Member Paltin, a question for you, Ms. Darcy.
- COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Darcy, for your testimony. I just wanted to clarify because I don't know the answer, and so, I'm not sure you know the answer, but from what you were testifying, I wanted to clarify if it's your understanding--I don't have any understanding, but is it your understanding that once they put up this broadband cables or hardwire, that anybody can then tap into it for free, or the reason you are asking to include veterans and homeless is because there will be a monthly fee? Like I...I'm sorry, I...I just was wondering.
- MS. DARCY: Thank you for the question because I have...I'm so sorry, this is the first I've heard of any of this. And I know it's...it's like in its final stages, and I'm actually quite taken aback that I don't know anything about this, and the community that I work with was not part of the discussions or included. There's so many wisdoms in these groups that, you know, we...when we have our regular lives, because we're not living in these conditions, we never think about. And I've...I've...I learn so much from them. And so, for them not to be included, at least the...you know, the people that I know, I don't have the

# November 16, 2023

answer to that, and I'm so sorry if all of what I'm saying is already covered because I...it's just kind of really, really, surprising to me. I wasn't --

COUNCILMEMBER PALTIN: Oh, no, don't apologize.

MS. DARCY: -- I wasn't going to come and testify and say thank you for everything.

COUNCILMEMBER PALTIN: Yeah, I don't know the answer either, so don't apologize that you don't know the answer.

MS. DARCY: Yeah, I don't. Thank you. I don't.

COUNCILMEMBER PALTIN: I don't know the answer. Okay.

MS. DARCY: Mahalo.

- COUNCILMEMBER PALTIN: All right. Maybe I'll ask them when it's my turn, or something.
- CHAIR SUGIMURA: Okay. Any other questions for Ms. Darcy? I see no hands. Thank you very much. Next testifier please.
- MS. APO TAKAYAMA: Chair, the next testifier is Brian Hauser, and he's currently our final individual signed up.
- MR. HAUSER: Yes, Aloha. Good afternoon, Councilmembers. I...I actually wanted to just hop in and answer what Councilmember Paltin was asking. You know, we...you know, public access to Wi-Fi. You know, there are...you know, on O'ahu, there are public access in parks, in...in other encampments, and pu'uhonuas that they have, and the Broadbands Hui was very involved in getting Wi-Fi to those areas, and it is of critical importance. So, my name is Brian Hauser, I'm an Advocacy Coordinator for Aloha Independent Living I'm also the Project Lead on a TeleConnect Program, which was Hawai'i. captured in the five-year State plan for serving the seven covered populations. We serve people with disabilities, and want to make sure that, not only do people...you know, first of all, to make sure that people are connected, taking care...taking advantage of the ACP, the...the Federal discount on broadband, but also providing devices and assistive and adaptive technology to over 20 people on Maui and on Moloka'i...over 20 people on Maui. Most recently the TeleConnect Program has been responding to the wildfires for people with We donated 22 iPads to the Council on Native Hawaiian disabilities. Advancement to provide to the families with disabilities in the impacted area. We also most recently worked with Maui veterans, and served nine survivors that requested iPads. But in general, having more ... a program that ... because this program is not funded anymore, and we would look for future funding,

### November 16, 2023

besides all the other barriers that people have, people with disabilities require individualized training and individualized setup in order to be able to use technology. Mahalo. Thank you so much.

- CHAIR SUGIMURA: Thank you very much, Mr. Hauser. I have a question for you before I--oh, sorry--turn it over to the Members. What program was not...the funding did not continue? Did I misunderstand what you said?
- MR. HAUSER: Yes. The...the TeleConnect Program funding originally came off the CARES Act funding that the Independent Living Center received. We used that funding...we stretched that as far as we could for two years. We served individuals, as well as facilities. We also served Roselani Place as a facility, but the...but there isn't...you know, there...there wasn't continued funding for that, so we're looking for the State plan, and the State plan recommended that this program should be considered. But it...it...it's a Statewide program, but we did a lot of work in Maui County, including Lāna'i. We had a participant in Kalaupapa as well, so the program really...you know, really reached rural areas.
- CHAIR SUGIMURA: Okay. So, it's something that you did during CARES Act, it was funded, and you're hoping that you're...you're able to continue it now with this new program. Is that...is that what you...

MR. HAUSER: Yes, that is correct.

- CHAIR SUGIMURA: And it provides...it provides equipment and education to the underserved?
- MR. HAUSER: That's right --

CHAIR SUGIMURA: And --

- MR. HAUSER: -- to people --
- CHAIR SUGIMURA: -- and --
- MR. HAUSER: -- with disabilities. Correct.
- CHAIR SUGIMURA: And disabilities. Okay. All right. Any other questions for Mr. Hauser? Ms. Paltin.
- COUNCILMEMBER PALTIN: Thank you, Mr. Hauser. Just clarifying, you were answering my question to Ms. Darcy that this Broadband Digital Equity Program would provide free Internet in public spaces to everybody. That's the...

MR. HAUSER: No. No. I --

### November 16, 2023

COUNCILMEMBER PALTIN: Oh.

MR. HAUSER: -- I...I think that the County needs to request that be included, that there is more public Wi-Fi, public...Wi-Fi in public areas like parks and, you know, beach parks, and public places...like public projects like, you know, the tent city and where people are living and need to be connected and --

COUNCILMEMBER PALTIN: So, you're saying --

- MR. HAUSER: -- and need to be able to participate.
- COUNCILMEMBER PALTIN: -- that's what we should do, and that this project that we're...is on the agenda does not do that?
- MR. HAUSER: I...I don't think we...you could ask the experts, but I don't think it goes as far as making public...you know, public access for Wi-Fi. I believe that...that the County would have to request, you know, for the parks, maybe the buses as well could have Wi-Fi, the malls could have Wi-Fi...
- COUNCILMEMBER PALTIN: So, your understanding is that they're going to make the Wi-Fi connection, and then people will pay a subscription?
- MR. HAUSER: In certain areas, and...you would be able to get free Wi-Fi in certain public areas. You know, take Maui Mall for instance, right? You...you know, it has those beautiful tables on the outside. You could sit down, and you could connect to the Internet, you know...you know, at a mall, or the same thing at a...you know, at a...at a park, or at a beach park, you know, to provide that service to...to the County citizens over here.

COUNCILMEMBER PALTIN: Okay, thank you. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much.

MR. HAUSER: All right. Thank you.

CHAIR SUGIMURA: Anybody else have questions for Mr. Hauser? Seeing none. Thank you very much. Thank you for your advocacy. This is two days in a row we get to see you, so --

MR. HAUSER: All right.

CHAIR SUGIMURA: -- we appreciate what you're doing.

MR. HAUSER: Thank you.

### November 16, 2023

CHAIR SUGIMURA: Next testifier?

MS. APO TAKAYAMA: Chair, Staff has not received any further requests for testimony on item BFED-21(10). I'll do a last call for individuals wishing to testify at this time. I see an individual approaching the podium.

CHAIR SUGIMURA: Okay. Very good.

- MS. AMARAL CROUSE: Aloha, Councilmembers and Committee Chair Yuki Lei. My name is Zandra Amaral Crouse, and to...I want to thank you, really, Yuki, for the many important bills that you put on your agenda for the Finance Committee, but this really is a bill that really will bless the lives of my family in Hāna, my family in Lāhainā, my family on Moloka'i, and my family on Lāna'i, as well as yours and many others. And I'd like to thank these gentlemen for all that they do. We learned very quickly in Lāhainā, so did all of our utility friends, that we can improve so that our citizens may be left out of harm's way. And so, I appreciate, as a citizen of Maui County, that they are all doing exactly that, working collaboratively together. And I think that once these broad lines...broadband lines get instilled, that those who are less fortunate than us, the houseless people, individual families really, really will be able to get connectivity. Whether they have to pay for it or not, I would hope not. And this I expand out to you, Chair, but in the token, to all the utility CEOs, the people of Maui County, especially those in these areas, are not within means. They are really humble individuals who really literally live paycheck to paycheck. I know. I am a lifelong member of the VFW. I see this every meeting we go to. I am also the principle broker for four major hotels here in the State, two on I was humbled as to how many of the utility Maui and Kā'anapali. representatives contacted my managers. The resources that came in, the efforts that everybody did, but connectivity was the one thing my managers kept calling me on--batteries, connectivity, and we couldn't even email. So, I guess I really am inspired and hopeful, Committee Chair and Councilmembers, that with the passage of this funding, and with you doing what you tell this public that you're going to do, that we will have the connectivity, not only to those communities in Central, Kihei, and those communities that are lucrative, but also to Moloka'i, Lāna'i, Hāna, and all the ones on Maui and within Maui County who does not have that opportunity. I thank you, and I thank you for connecting Maui to the other islands, and connecting the other islands . . . (timer sounds)... and Maui to the United States and the world. I thank you. Mahalo, Chair.
- CHAIR SUGIMURA: Thank you. Thank you very much, Zandra. Anybody have questions for Ms. Amaral? Seeing none. Oh, here. Wait a...wait a second --

MS. AMARAL CROUSE: I'm sorry.

# November 16, 2023

CHAIR SUGIMURA: -- Zandra. Ms. Paltin has a question for you.

COUNCILMEMBER PALTIN: Thank you, Chair ... (inaudible)... Thank you, Ms. Amaral. I just wanted to clarify, like, when you said the lessons learned in Lāhainā and that the Internet and things like that. Because Lāhainā had Internet before, and then we didn't have Internet during the fire, and --

MS. AMARAL CROUSE: That is exactly...

COUNCILMEMBER PALTIN: -- then --

MS. AMARAL CROUSE: Councilmember? That is exactly what I stipulated. That's what my boss called me on. They were in dire straits because our employees, who were losing their houses, a couple who died, could not be transmitted. I, as the principal broker, responsible for these two, and the many, many employees, am very grateful that I had two very great general managers to helped our employees house them and find them permanent housing. That is what I was stipulating --

COUNCILMEMBER PALTIN: Oh.

MS. AMARAL CROUSE: -- Councilmember, that --

COUNCILMEMBER PALTIN: My question was...

MS. AMARAL CROUSE: -- there was no connectivity at all --

COUNCILMEMBER PALTIN: Yeah. So...so...

MS. AMARAL CROUSE: -- during the fires.

COUNCILMEMBER PALTIN: Yeah, or even for a month afterwards. And so, my question is...

MS. AMARAL CROUSE: And no, I mean when they were burning.

COUNCILMEMBER PALTIN: I...I understand that, I'm saying including...

MS. AMARAL CROUSE: A month after is okay.

COUNCILMEMBER PALTIN: A month...

MS. AMARAL CROUSE: It's when my employees are struggling for safety --

### November 16, 2023

COUNCILMEMBER PALTIN: Okay, never mind.

- MS. AMARAL CROUSE: -- that's when ... (inaudible)... these gentlemen are ... (inaudible)...
- COUNCILMEMBER PALTIN: That's okay. I had a different question, but thank you. That's not . . . *(inaudible)*. . .
- MS. AMARAL CROUSE: You're welcome.
- CHAIR SUGIMURA: Your question answered then, Ms. Paltin, huh? Yes?

COUNCILMEMBER PALTIN: No, but that's okay. Never mind.

- CHAIR SUGIMURA: Oh. All right. Any other Members? I see no other hands. Okay, next testifier?
- MS. APO TAKAYAMA: Chair, Staff has not received any further requests for testimony on this item. I'll do a last call...three, two, one. Chair, I see no other individuals wishing to testify on BFED-21(10).
- CHAIR SUGIMURA: Okay. Thank you. So, Members, with your permission, I'm going to close public testimony for this item, take written testimony, and then we'll go into your questions for the resource.

COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: Thank you. Thank you very much.

- CHAIR SUGIMURA: So, Members, thank you very much for your patience and, you know, now I'm...I'll allow you to ask questions of these resources. We'll...we will allow you to ask any member [*sic*] questions, and you'll have four minutes each. And I'll start with Vice-Chair Kama for this Committee.
- VICE-CHAIR KAMA: Thank you, Chair. So, I just want to start with talking with Kalani and the maps that you had showed us regarding all the different islands, and you started with the Island of Kaua'i. And I noticed that the Island of Ni'ihau was not included. Is there a reason for that?
- MR. ANDRADE: Yeah. We didn't...we have not included Ni'ihau in any of our plans as of yet. We are...we would be very interested to provide connectivity to that island as well. They haven't been...

<sup>...</sup> CLOSE OF PUBLIC TESTIMONY (BFED-21(10)) ...

### November 16, 2023

UNIDENTIFIED SPEAKER: I didn't...they didn't show Lāna'i or Ni'ihau.

VICE-CHAIR KAMA: Who's talking?

MR. ANDRADE: Yeah. Lāna'i has...yeah.

UNIDENTIFIED SPEAKER: This is...this is...

CHAIR SUGIMURA: Excuse me, can you turn off the...I'm...Ms. Kama is having a discussion with...thank you.

VICE-CHAIR KAMA: Sorry about that, Kalani. So, I did see that Lāna'i --

MR. ANDRADE: No problem.

VICE-CHAIR KAMA: -- was not there, and I understand why it isn't there, so I'm not concerned about that. I'm just that if we're talking about underserved communities, that Ni'ihau, to me, is a concern. But that's just that one. And then I wanted to ask you--and I'm not sure if this is for you or if it's for other members of the team--in terms of the focus groups. Were focus groups done on DHHL lands with Hawaiian homestead associations? So, I don't know who can answer that. Jeanne?

MS. SKOG: Hi, thank you for the question. Yes.

UNIDENTIFIED SPEAKER: ... (inaudible)...

MS. SKOG: Oh.

VICE-CHAIR KAMA: Anybody. Who's --

MS. SKOG: We...we did.

VICE-CHAIR KAMA: Okay.

MS. SKOG: Yes, we did do sessions on Hawaiian Home Lands.

VICE-CHAIR KAMA: Did you do it with beneficiaries of the Hawaiian Homes Trust? Okay.

MS. SKOG: Yeah.

VICE-CHAIR KAMA: Do you know what homestead you did it on? Do you remember?

# November 16, 2023

- MS. SKOG: I...our team personally didn't do it, another member of our team did do it. And I know one for sure was, like, on Moloka'i. Yeah.
- VICE-CHAIR KAMA: Okay. Because...okay. I only ask because this...this island has, I know, ten homestead associations. Moloka'i, I think, has about eight-plus, with one more coming up. And...you know, and all the homesteads are really more diverse than...than we really know. And I just want to make sure that their voices are included --
- MS. SKOG: Um-hum.
- VICE-CHAIR KAMA: -- because, you know, they're Hawaiian homesteaders. So, sir, did you want to say something?
- MR. CHANG: Yes. So, just...just to comment on the Digital Equity Plan. It's not...it's not set in stone.
- VICE-CHAIR KAMA: Okay.
- MR. CHANG: We are continuing the outreach.
- VICE-CHAIR KAMA: Yes.
- MR. CHANG: So, now, the...the outreach is finding out the specific needs and building programs around those to meet those needs. So, we are...even this week, we were out at homesteads. We were...yes, the...the outreach will continue, the programs will be built to address very specific needs of the communities. Yes.
- VICE-CHAIR KAMA: Okay. Okay. And then I think my last question was--I think the conversation that Ms. Darcy was having with...with Member Paltin in terms of having digital equity available in the parks. Has that discussion come up, or has that been part of that discussion for you folks in having free broadband in public spaces?
- MR. YOSHIMI: So, let me answer at least part of that. In all of the counties, the counties have so far indicated that they are very interested in making sure many of their park facilities are connected. Some of the counties are a little ahead of it, more than others, but I think everybody is together in expressing the desire--not just schools and libraries, but park facilities, especially where they are...there are structures on...at that location that, number one, can be served; and then number two, can provide a facility for support services to be delivered. Not necessarily just Internet-related support services, but other services as well. I know all the counties have expressed that as...as an interest point. So, remember that community anchor institution thing?

### November 16, 2023

VICE-CHAIR KAMA: Yes.

- MR. YOSHIMI: And so, to be able to flag all of those locations as well is pretty important to us.

CHAIR SUGIMURA: What is your question?

- VICE-CHAIR KAMA: Oh, my question was going to be for your covered populations, how do you anticipate addressing those who are incarcerated and those individuals with disabilities?
- MR. CHANG: So, for incarcerated individuals, we can't work with them directly, so we do have to work with staff to develop programs. So, some of the things that we've identified, just to quickly give you some ideas on what we're thinking about is, you know, those individuals that are incarcerated, as they transition out into the community, it's difficult for them to be part of the community because they lack the ID, the...the skills--just basic skills. And so, how do we build programs to, you know, skill them up as they make that transition out of the facility? So, those are kinds of things that we're...we've already identified early. And again, we're...we're continuing to reach out, and we'll develop programs that will help these communities. And so, disabled individuals, it's still in early stages, so we...we are going to develop some very specific, you know, programs to help, you know, those with...with disabilities.

VICE-CHAIR KAMA: Thank you. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. Oh, Jeanne, you have a...a response?

MS. SKOG: Yeah. I just want to go back to the availability of public Wi-Fi. In the implementation plan of the Digital Equity Plan, please look through that very carefully because there are a number of actions, and we definitely advocate for much more availability of public Wi-Fi. And that would be 24/7 because if it's only available in working hours, then how do you deal with those who don't...you know, who have homework to do, or have to work at night, or whatever the case may be. So, that...that becomes really critical. And there's, similarly, actions that are being recommended for the incarcerated, and all those other populations that are called out.

CHAIR SUGIMURA: Oh, very good.

### November 16, 2023

VICE-CHAIR KAMA: Thank you. Thank you, Chair.

- CHAIR SUGIMURA: Thank you. Next, we have Chair Lee. Do you have questions for the resource...
- COUNCILMEMBER LEE: Thank you, Chair. My...my question has to do with the almost \$90 million, what does that cover? Development? Construction? Operations? Equipment? And who pays for the ongoing expenses? That's my question.
- MR. YOSHIMI: Thank you, Chair. I'll take that one. And so, the \$90 million you are referring to is related to the Tribal Broadband Connectivity Program allocation to Hawaiian Home Lands.

COUNCILMEMBER LEE: Can you speak a little louder, please?

MR. YOSHIMI: So, the \$90 million you're referring to is the amounts allocated to the Department of Hawaiian Home Lands under the Tribal Broadband Connectivity Program; is that correct?

COUNCILMEMBER LEE: Yes.

- MR. YOSHIMI: Okay. So, that...that program, just like many of the other programs that are being run, the...the great thing is, it's a chunk of money; the...the bad thing is, it's one-time money only. So, it is very important to make sure that when we expend and plan to expend the funds that the...the effort is around building infrastructure that is long-lasting, as well as...the figuring out how to sustain that infrastructure, as well as the services to be delivered over that infrastructure over...well, after the Federal money runs out. So, it is something that, in particular--we're actually are working with the Department of Hawaiian Home Lands as well, to provide them with technical support and program support. They are working...
- COUNCILMEMBER LEE: Okay, so you...you won...you won this bid, right? This was a competitive grant. Didn't you mention that?
- MR. YOSHIMI: So, the Department of Hawaiian Home Lands one is formula, but they have to apply for the funds. So, they are currently working on this...
- COUNCILMEMBER LEE: I mean, like, are you...were you in competition with like, Spectrum, or some of the other big companies?
- MR. YOSHIMI: So, that particular grant was a competition among the Federally authorized tribes. And then, within the...that legislation, the \$90 million was

# November 16, 2023

set aside for Hawaiian Home Lands to apply for. They have to apply for it, but it is allocated for Hawaiian Home Lands. Is this the one you were talking about, or...or am I mixing it up with the competitive Middle Mile Grant?

- COUNCILMEMBER LEE: Oh, I...I'm just trying to distinguish between grants and...and who's...who's going to be the developer, and the person to...and the company to construct? So, are you saying --
- MR. YOSHIMI: So, for all of these...
- COUNCILMEMBER LEE: -- are these all separate? The DHHL is separate from others?
- MR. YOSHIMI: That is correct. So, that is a separate program that...where the monies flow through Department of Hawaiian Home Lands. In general, for all of these programs, including the ones that we would administer, the...the contracting for the companies or organizations to build the actual infrastructure needs to be done on a competitive basis. So, there's a bunch of...of guidelines that the...the Federal Government has put forth in these program definitions to make sure that the monies aren't simply carved out and just given to people. They actually have to--the construction, the...any of the building and the providing of facilities and services needs to be competitively procured.

COUNCILMEMBER LEE: Okay. And so, who oversees the procurement?

MR. YOSHIMI: So, in the case of Department of Hawaiian Home Lands, their organization will oversee that. As it happens, we are assisting them in that process as well, and they will also bring on some contracted support to help them through the process. Because this...again, this isn't something that they do a lot of every day, they...they need some extra assistance to make sure that they have both subject-matter expertise, as well as help through the process.

COUNCILMEMBER LEE: Okay. Thank you. Thank you.

CHAIR SUGIMURA: Are you done, Chair?

COUNCILMEMBER LEE: Yes.

- CHAIR SUGIMURA: Next, we have Member Johnson. Do you have questions for the resource staff?
- COUNCILMEMBER JOHNSON: Sure. Thank you. So, if I could summarize, one of the...the slides you had showed large pots of money for Federal dollars that everybody has to apply to through the grant process; is that...is that correct?

# November 16, 2023

- MR. CHANG: Yeah. So, most of those...most of those programs were formula-allocated to the states, so that...that represents the amounts that were allocated to the State to use, but then execution becomes a...a process that we have to go through to...to figure out who does what with what money.
- COUNCILMEMBER JOHNSON: Okay. I think what...what my...my question's leading towards is that, you know, we're...we're understaffed, we're struggling to get grant writers. And that's kind of my question, is that if there's large pots of money, but the County or a nonprofit just doesn't have capacity to apply for these Federal grants, it's almost kind of out of our reach. So, that's kind of the process I'm wondering, is it...that...going to be the County that's going to be applying to the Feds, or the State, or where...like, what's our process on our end?
- MR. YOSHIMI: Yeah, that's a good question. So, for...for the majority of those programs where the funds are formula-allocated into the State, the State...one of the State offices will be overseeing the...the allocation and distribution of funds. There's...there's a bunch of guidelines that we have to follow to make that happen. But in the case...in particular in the case of the counties, we are providing the counties with some direct support, including Maui County, to help through that process in order to help the counties administer their portion of the work. And then, in particular for Maui County, one of the things that's important in this...in this County is that we're...we're basically providing some contingency so that we can take...take into account the...the current situation the County is in, in particular when it comes to resources.
- COUNCILMEMBER JOHNSON: I'm going to pivot over to Ms. Laks Abraham. So, how is the Administration looking at these funds? Do you guys have any movement on it? Is...is it a struggle to pull those monies down into our...our County, or can you speak on what the Administration is doing?
- MS. ABRAHAM: The focus right now is essentially to establish what the need is, right? So, we're...we're collecting data, we're trying to identify the areas in the community that have spots that have spotty connection or don't have connection or lack infrastructure. So, that's the...that's the critical focus now, I think, into early next year, if I'm correct. So, we just have to identify where our...our dead zones are, essentially, and then once we establish that, then we're going to start building around those dead...dead zones, what type of infrastructure needs to be built out to ensure that we have some type of access in that area. So, I don't think we're quite at the point yet that we know exactly what we're asking for. I think the critical component at this point is to establish what our need is. So, that's why the outreach right now in establishing, you know, where we need this type of infrastructure, where we need better connectivity, is so critical right now.

# November 16, 2023

- COUNCILMEMBER JOHNSON: Do you think West Maui qualifies as a dead zone, as a place that we don't really need a needs assessment? Or do you think that you still need more needs assessments being done in West Maui?
- MS. ABRAHAM: I think we need needs assessments throughout Maui County across the board because--part of the reason is, is pre-fire, and then post-fire, obviously we're dealing with a different situation. And what Garret alluded to is we did reach out to the NTIA and ask them to keep that in mind when they're allocating funding, that we have a....a different outlook on what their needs will be --

# COUNCILMEMBER JOHNSON: Right.

- MS. ABRAHAM: -- there now. But, as far as evaluating our need across the island, there's dead zones in some communities that have good connectivity, and what you'll find when you go through the information is a lot of the work that's happened over the last year has been to put those...those dots ...*(timer sounds)...* on the map where we're lacking access. And that could be specifically in a various area in West Maui up the mountain, for example, that doesn't have good connectivity, where down the mountain you might have better connectivity. So even in communities that have decent connectivity at this time, what we're trying to do is ensure that across the community, across the County, that there's connectivity to everyone, and equal...equal amounts of connectivity as well.
- COUNCILMEMBER JOHNSON: Okay. Thank you, and my time's up. I...I just remember the struggles after August 8th and their communication struggles. So, if there's money out there, we should try to, you know, get it ASAP. That's kind of where I was going with my lines of questioning. Thank you so much, Chair.

CHAIR SUGIMURA: Thank you, Member Johnson. Next, we have Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Yeah, I lived through the August 8th, we didn't have any kind of Internet or telephone or anything, and traditionally, we have access to broadband. So, I mean, I hope somebody can prove me wrong, but this whole thing seems like a waste of time and money. The easiest way that we were all able to come back online before the four weeks it took the Spectrum, or Verizon, or AT&T, or T-Mobile, or whatever, was the Starlinks, so I was wondering why we just don't do that. There's people in Honokōhau on Starlink, there's people in Honolua on Starlink. In fact, when I woke up on August 9th, I went into the valley, and that was the only way I could communicate. And so, you're going to lay out \$90 million of wire, similar to the wire that we had that made Lāhainā accessible, and then we had a fire, and then there was nothing communication. So, I just was wondering if you guys

# November 16, 2023

could explain to me, why not take that \$90 million and get Starlinks...or however many tens of millions of dollars that the Federal Government is handing out.

- CHAIR SUGIMURA: I think the 90 million was for Hawaiian Home Lands, that's the example that was brought up. Does anybody want to take that question? I think what Tamara's talking about is...is why not just use Starlink and...and why do this plan, right? You're not...you're not asking about Hawaiian Home Lands, are you?
- MR. YOSHIMI: Chair, I can...I can...
- COUNCILMEMBER PALTIN: Well, yeah. I mean, anyone can use a Starlink, Hawaiian Home Lands, whatever.
- CHAIR SUGIMURA: You would --
- COUNCILMEMBER PALTIN: And then like, you know, these wires, you're worried about the lava going over it, earthquake, or a submarine cutting it. It's...I mean, I didn't know what Starlinks were before, so I couldn't contribute in that way before this conversation, but...I mean, it came in clutch for all of us in West Maui.
- CHAIR SUGIMURA: Okay. So, we have Garret Yoshimi from UH who said he wants to answer that question.
- MR. YOSHIMI: Yeah, so a couple of points of interest. The explicit guidelines for expending, in particular the BEAD funds, which is the largest of the different programs, expresses specific preference for fiber in order to provide very high-capacity connections as broadly as possible. Having said that, your...your Starlink experience is absolutely spot on. In particular, throughout the majority of...of our geography here, Starlink is an absolutely workable solution. The...there's ...there's a couple of asterisks, though. Number one, the...the cost of the Starlink service is generally not considered affordable, at...at least off the shelf, right? So, the standard Starlink subscription--after you pay about 500 bucks for the antenna, the standard subscription is about 100 to \$120 a month. It has been floating up. Having said that, you know, if you're in a remote area and you can't get it anyway, it is a great solution, and it...and it absolutely works. You need power, and you need light...a line of sight to the sky, but it is a great solution. The interesting thing out of some of the NTIA funding is, while we can't use that for our first solution, once we get to some of the areas that are extremely high-cost to serve--so say, for example, you have a house that requires 100,000 or \$150,000 to serve a single house to build to a very far location. Once we get over a threshold...a cost threshold, which we will define from the State's perspective, we'll be able to look at alternatives...in

### November 16, 2023

NTIA-speak, "alternative" solutions, which absolutely could include Starlink, provided that we can address the high monthly cost. Many of the other states--in...in fact, across the world--many of them are actually looking at Starlink as a...a solution for hard-to-serve communities...Pacific Island communities in particular provide this, it's a great alternative that is...again, it's not cheap. It wouldn't be considered affordable, but if we can look at trying to leverage some of the Federal funding and influence to...to be able to make it affordable in some of our fringe cases, that is absolutely a great thing to do. For the...for the metro areas, in particular--so, Lāhainā example--if we had Starlink in place as a backup solution for some of our high-concentration business locations, they may not have blinked out ...*(timer sounds)...* when the rest of the infrastructure got toasted, right? So that is...that is absolutely a great part of the long-term strategy, to make sure that we consider that --

CHAIR SUGIMURA: Okay.

MR. YOSHIMI: -- consider that class of --

COUNCILMEMBER PALTIN: But other ---

MR. YOSHIMI: -- services, right?

- COUNCILMEMBER PALTIN: The other thing that came in fast was the...the COWs, the cell towers on wheels. Is that not a possibility as well?
- MR. YOSHIMI: That is absolutely a possibility, and that's a disaster recovery response for our...our large cell carriers. So, there are several of those prepositioned in Hawai'i as part of disaster response. They also use it for high-volume events, special events where you have a high concentration of people expected in a particular area. But the...it is a temporary solution. So, the cell on wheels, the COWs, cellular on wheels, is actually a temporary solution that is difficult to make permanent, if you will. It's not economical to do on a permanent basis. But having them in the State is great, because we can have disaster response that happens very...relatively quickly. Having more would be even better, but it...you know, it's an economic call that the...each of the carriers has to make. Part of the building should also include strengthening of our State-wide tower infrastructure to make sure that it's not just wired, and in the ground, but we also have to make sure the different layers are...are covered as well when we make this infrastructure investment.
- CHAIR SUGIMURA: Very good. Ms. Paltin, your questions have been answered, right. This disaster taught us a lot, right? We looked at Starlink and COWs...I never heard of that until the disaster. So...all right. So, next we have Member Cook.

### November 16, 2023

- COUNCILMEMBER COOK: Thank you, Chair. I'd like to ask either one of our...these gentlemen, who owns the infrastructure when it's installed?
- MR. YOSHIMI: Good question. So, for...for the most part, when we look at--and I'll say this, I'll answer the question in three parts. If we look at the...the majority of the...the new infrastructure that's being built, it will be put in and probably owned by who's ever building it on our behalf to deliver service. So that's probably, I would say, a large part of the...the stuff that's going to get built. There is the opportunity for the State or the public sector to own part of that infrastructure, depending on how the...how the projects are crafted. So, for example, some of the work that we're doing on the planned new interisland cable system will be partially a public asset. So, it depends on the way that the pieces are structured. But a lot of the...much like some of the...on the...the programs that are already in place, it's likely that the existing carriers, or potentially some...maybe some new competitive carriers, would own that infrastructure, and then they would be responsible for delivering service under that parameters declared by the Federal Government.
- COUNCILMEMBER COOK: That's kind of the...the basis for my question is, after it's installed, it needs to be maintained. And in order to do that, there has to be a...you know, like you're paying for service, you're renting it, et cetera. So, is it sort of the Government is funding this as seed money, other companies are going to kōkua and cost share? I don't really understand. I understand all of this Federal money, and that it's...so much is allocated to the State of Hawai'i. Your presentation clarified that because it went from Kaua'i all the way to the Big Island. I...if I have enough time, I want to know the difference between a red line and a green line in capacity. The red line looked like, yeah, we got big new line. And I don't know if it's, like, really new big capacity, is it different technology, or is it just a new line?
- MR. YOSHIMI: So, in...in the Hawaiian Tel--and I'll...I'll answer for our friends at Hawaiian Telcom--the red line is the new line that's being funded by the program. The green lines are the existing lines, so similar...similar technology, similar capacity. But it's...it's the new one, it's...it's the new stuff.

COUNCILMEMBER COOK: So, those are all fiber lines, but they're similar capacity?

MR. YOSHIMI: That is correct.

COUNCILMEMBER COOK: Okay.

MR. YOSHIMI: That is correct. The question on sustainability...remember, again, these are one-time Federal funds. So, part of this, in fact, is very much whoever is building it. What the public is doing is providing basically capital relief to help the build happen. And the hopes is that we change the economics

### November 16, 2023

so that the...those things that are built are now sustainable because we've taken that initial capital out of the loop.

- COUNCILMEMBER COOK: So, if I may, and final question for this round. The theory and the hope is that by injecting this amount of capital in, that the service will be available to many more people, and therefore, it potentially will be much more cost-effective and cheaper than it currently is?
- MR. YOSHIMI: That is...that is absolutely the hope . . .(*timer sounds*). . . that...in fact, that we will...we will inject some additional competition into the field to help at least keep the cost down, and potentially make costs better.
- CHAIR SUGIMURA: Thank you very much, Member Cook. And next we have Member Sinenci. Good questions.
- COUNCILMEMBER SINENCI: Thank you, Chair, and mahalo for the presentations this afternoon. Just clarification, so when you mention festoon, it means that you're going...you're laying a large cable between the islands and around those areas that...that you can't access by road, those parts of --

CHAIR SUGIMURA: Hawaiian Tel --

COUNCILMEMBER SINENCI: -- the island.

CHAIR SUGIMURA: Hawaiian Tel, come on...I guess you want Kalani ---

MR. ANDRADE: Yeah.

CHAIR SUGIMURA: -- to answer that?

MR. ANDRADE: Yeah. Yes, Councilmember Sinenci, yeah, festoon is...is an...is...is a cable that starts on one island and ends up on the same island, so not so much an interisland cable. But it...it...it kind of alleviates us from exposure to the elements, like hurricanes, storms, winds, and coastal erosion. So, instead of having it on a pole line or somewhere along the in...terrestrial coast or the coastline, it's actually just going to be laid in the water, but treated like cable is on island. The only difference is it's going to be in the water --

COUNCILMEMBER SINENCI: Okay. And does it --

MR. YOSHIMI: -- so more protected. Yep.

COUNCILMEMBER SINENCI: -- okay. Does it require an EIS or...or consultation since we're using Federal funding?

### November 16, 2023

- MR. ANDRADE: Yes. Yeah, there...there are Federal requirements and for permitting and approvals that we'll need to follow from EPA and from the Federal Government, as well as State requirements as well, so EIS and EAS will be...will be required.
- COUNCILMEMBER SINENCI: Okay. And just to be clear, this cable is just for broadband services, it won't...it won't have other types of services in the cable that maybe the company can contract out...power or anything like that?
- MR. ANDRADE: Not for power, but the cable will be available for any other carriers or service providers that want to provide and...and buy capacity on that cable system, same as they do today on any terrestrial cable between offices.
- COUNCILMEMBER SINENCI: Okay. So, other companies could use that cable, it'll just be --
- MR. ANDRADE: Purchase capacity, yep. Purchase capacity on that cable as well.

COUNCILMEMBER SINENCI: Okay and then . . . (inaudible). . .

- MR. ANDRADE: That was part of our Federal funding. Yep. Sorry, go ahead.
- COUNCILMEMBER SINENCI: No. No. And then what is your timeline on...you know, are you...are you going to start with Maui? Are you starting from...from the east end or...you know, do you have a...an idea about timelines?
- MR. ANDRADE: Yeah, so they...we have...it...it's a five-year project, so we're required to build the entire project within five years. We expect the permitting and EAS for the interisland festooned sections to be 18 to 24 months. While that's being done, we'll be working on the terrestrial pieces, the on-land pieces. And so, those RFPs are out, and we're hoping to get those permitted and built within the first two years. So, we are issuing out all the RFPS within the next month, and hoping to get response and awards for the Civil Engineering Department process. So, I think each county and each island will vary in the timing based on the permit requirements, the areas, the owner of the roads, whether it's County or...or State. And so, those timelines will vary. But we're trying to do both the terrestrial pieces and the interisland cable pieces at the same time. So, within the four-and-a-half to five-year period of the project, everything is completed around the same time, that way it will turn up all these sections and activate the entire system.

COUNCILMEMBER SINENCI: Okay. So, the monies run out in five years?

MR. ANDRADE: We'll expect to, yeah. It's a one-time...it's a one lump sum, so we need to spend it and build it within the five-year period.

### November 16, 2023

COUNCILMEMBER SINENCI: What can the County do to assist in...in this venture?

MR. ANDRADE: Well, we definitely would...would like the County's support. We will definitely be reaching out to help facilitate some of the permits, the approval process, coordinating with the Planning Department and...and ...(timer sounds)... making sure that we address their requirements while we're doing this build at the same time. And so, we'll definitely be reaching out to...to the different counties and communities to ask for support and help and...in trying to address any of their concerns.

COUNCILMEMBER SINENCI: Okay. Thank you. Thank you, Chair.

- CHAIR SUGIMURA: Thank you very much. It's encouraging to see that's being done, right, for your Hāna community. I remember stories during COVID where I think the Hāna...the...a bus was...was taken to the town so that the kids would have Internet access because there was none, right? So, all of the COVID brought out the digital inequities that was present. And I'm encouraged that this...all this work is being done. I think my question to all of you would be that, with the deadlines coming up with the Federal Government, and what we need to do to ensure that we do not lose out, what can we do, as the County, to support you with UH and DBEDT, Chung Chang, and the work that Jeanne Skog is doing, along with Laks Abraham? So, whoever wants to take that question...and...and please utilize us to help you reach out to get some of your goals.
- MR. YOSHIMI: Yeah, I appreciate that question and the...hopefully, the commitment to help us at the same time because this is the same...and this is the same on all four counties. So, this is something that's absolutely critical for the counties to work with us together to make sure that we identify the right place to invest, and the right way to invest it, in the particular county. So as...as the County has been working with Jeanne to help supplement its own internal resources, you know, we'll continue to have this conversation. And I think, you know, the best thing at this point is to say we want to make sure everybody continues to be in the conversation so that when we get to actually putting shovels in the ground and making investments, the hard dollar investments, that everybody has been in the conversation throughout. So, I appreciate the...the offer to...to continue that happen...continue that to happen. As...as I noted earlier, there are some deadlines that are coming up pretty quickly, but in particular, for the Maui County case, we are interested in making sure the conversations continue to go on so that we can make adjustments in the implementation phase, and not be just simply stuck with this is the snapshot, this is it, too bad, so sad. This is important to make sure that we continue that outreach and engagement process throughout the...throughout the implementation.

### November 16, 2023

CHAIR SUGIMURA: Deadline for that? In terms of ...

MR. YOSHIMI: So...so, there are some current deadlines based on materials that are posted. So, Chung just mentioned the Digital Equity public posting period just wrapped. We have a...an initial proposal thing in the BEAD project that is posted with--the current public posting will end December 10th. But what I want to say, in particular for all of our counties, it is critical that we make sure we continue the conversation. So even as these documents go in, we still have time before we get to implementation, and even during implementation, to make sure that we do it right. So, I'll say that it is important to, you know, have us hear from you as soon as possible, but it is also more important to make sure we continue the conversation through the process.

CHAIR SUGIMURA: Okay. Chung Chang, you have a comment?

- MR. CHANG: Yeah, just commenting that we're actually on good pace to make all of the deadlines, so...so, you know, our Digital Equity Plan is scheduled to go in on time, our BEAD proposal is scheduled to go in on time, so we're not going to miss out on any Federal funding opportunities. Just to answer that question.
- CHAIR SUGIMURA: Okay. Do I see Chair Lee with her hand up, or are you turning a page?
- COUNCILMEMBER LEE: No, my hand wasn't up. Thank you.
- CHAIR SUGIMURA: Oh, okay. Thank you. All right. Laks?
- MS. ABRAHAM: I would just add, as far as engagement's concerned, we are meeting weekly with all of the counties to address all the BEAD and Digital Equity Plan needs. So, we have a Junior EA in our office, Jolie Jenkins, who is the liaison for the Mayor's Office currently, and that is also why we brought on Skog and Rasmussen, to help ensure that--we actually, a few months ago, just pre-fire, put together our County of Maui engagement plan--to ensure that we're doing outreach throughout the County. And that is a big piece of what our consultant will be continuing to do, is that outreach work over the next couple of months, to make sure that we'll meeting all of the data requirements that we need for BEAD funding. So, just to assure the Council that we are continuing We're drawing on the resources of other counties, like to meet regularly. Hawai'i Island, for example, who's far advanced in their broadband...their broadband efforts, and really have set the stage and given us a great pathway to follow, to ensure that we're...we're following in...in suit and making sure that we're...we're getting everything done that we need to do to be ready to receive BEAD funding. But just wanted to assure you that the work is continuing. That's the purpose of our consultant. Because it is a capacity issue, as you all know, with everything that we are doing right now, that we felt that it was very

### November 16, 2023

important that we ensure that this work continues. And that's why we have a consultant and Jolie that are going to keep the work moving forward.

- CHAIR SUGIMURA: Very good. Okay. Great. So, you'll let us know what help you may need from the Council? And this is our...our kickoff, basically, for the County to understand all the work that is ahead of us.
- MS. ABRAHAM: And Chair, I would just recommend, moving forward, that if the Council prefers, we'd be happy to come in and give maybe a quarterly update on where we are. That would be our preference as well. I also wanted to point out that we are going through...we have a...an MOU in the works as we speak, actually an MOA, that will be coming to Council very soon for engagement allocation from the University of Hawai'i for \$100,000 to help aid in doing outreach and engagement. Also, to keep in mind that, you know, going to Moloka'i, Lāna'i, and making sure that we're inclusive with all of our...our pieces of our County, that we have that funding available to do that moving forward. So that's another way we're going to ensure that we get to those other communities, as well, to get feedback.
- CHAIR SUGIMURA: Very good. So, we'll wait for that, and gladly agree to that, accept more money. We like that. And I guess I hear the concern from Department of Hawaiian Home Lands, which is State, but I guess the University of Hawai'i and DBEDT is reaching out to Hawaiian Home Lands so they don't miss out on funds, right? Okay, I hear Tasha Kama clapping, so that must be a good thing. I knew you would ask that question. Oh, and Chair Lee asked that question too. All right. So, any other questions, Members? I'm going to...oh, you have one? Okay. Go ahead, Member Johnson.
- COUNCILMEMBER JOHNSON: Just one follow up, and I'll try to make it quick. I looked at your slide on the covered populations of 150 percent below the poverty line. Here in the State of Hawai'i, that equals 250...25,000 for a single family. And as a single parent, I count myself as one that, that's \$34,000 for a single parent. That's really low. And so, I think...my question is, can you cast the net wider and make it 200 percent below the...the poverty line? Is that a...is that an issue on the table, could that...you make that happen?
- MR. CHANG: So, we're following...so, the quick answer is no, we're not able to change that requirement, but perhaps they can fall into other covered populations. So, it...it is a...it's pretty wide...you know, we've cast a pretty wide net, so I mean, it's...you know. And...and again, like I said, you know, we're reaching out to communities to identify their needs, so you may catch even those that are not...I don't want to get myself in trouble here, but we may catch those members, individuals, that may not fit this definition, but because they're part of the community, they'll be covered.

### November 16, 2023

COUNCILMEMBER JOHNSON: Yeah. Okay, I...thanks. I...I'm out of time. I know we got to go. I . . .*(inaudible)*. . . was listening to Ms. Jabola-Carolus, who was advocating for the way we look at things through single parents. There...it's really...a real struggle, and that kind of salary is...is really low. So, thank you for your response. Thank you, Chair.

CHAIR SUGIMURA: You have a comment, Miss...

MS. SKOG: I...I just wanted to note that when we did reach out with the digital equity, we didn't say, oh, you're below \$34,000, we...we're not interested. There were many participants who, when we did our demographic survey in the focus groups, were definitely below that, definitely. So, I just wanted to ensure [*sic*] you.

COUNCILMEMBER JOHNSON: Thank you.

CHAIR SUGIMURA: Okay. Very good. Member Kama.

- VICE-CHAIR KAMA: So, I just wanted to get back with the incarcerated individuals. And I understand what you're saying in terms of the programs that...but the programs that are administered within the prisons in our State are administered through the State, right? And...and those guys, they...they don't have access to...to technology, that's the pilikia, right? So, how're you going...what's the use of having broadband if you don't have access to the technology? So how do we get that for them?
- MR. CHANG: Yeah. So...so, yes. We do have to work through DPS, Department of Public Safety. And we can't...we're not able to work directly with the incarcerated individuals.

VICE-CHAIR KAMA: Yeah.

MR. CHANG: So...so, yes. We know there are challenges. So, for example, those individuals don't have a wide of...you know, access to the Internet like we do, right? So --

VICE-CHAIR KAMA: Yeah.

MR. CHANG: -- so, we know the challenges. So, we will have to craft a very specific --

VICE-CHAIR KAMA: Program.

MR. CHANG: -- you know, program for...for those individuals. Yeah.

CHAIR SUGIMURA: Okay.

### November 16, 2023

VICE-CHAIR KAMA: Thank you.

- CHAIR SUGIMURA: Any other questions, Members? Seeing none. Thank you very much. I know you're going to take care of the...Mr. Hauser's questions with the disabled and homeless, and all of that will be on your plate to be sure they're not forgotten, right? Okay, great. So, Jeanne, you have something else?
- MS. SKOG: Yeah, I just wanted to note that, again, in the implementation section that includes objectives and strategies, there are many that have to do with those --

CHAIR SUGIMURA: Yeah.

- MS. SKOG: -- a variety of disabilities that...yeah, definitely a lot of actions that way, and many of them informed by Mr. Hauser.
- CHAIR SUGIMURA: Ah, very good. All right. So, I think we're...you want to say something else, Mr. Yoshimi?
- MR. YOSHIMI: . . . (inaudible). . .
- CHAIR SUGIMURA: You're done? Okay, great. Appreciate all of your help, everybody. And again, this has been waiting and waiting for us to take it up, so I...I thank you, all of you. We made it, we finally made it. So, I'm going to, then, defer this item, so we can bring it back. You heard from Ms. Abraham that we're going to get the Memorandum of Understanding, so we can take care of that, and receive the \$100,000 under our contracts for...from UH, so thank you very much. And thank you, Jeanne, and we're glad you're onboard and did the community outreach. I think you did like 400 meetings with people, and you did a lot, right; is that correct?

MS. SKOG: ... (inaudible)...

CHAIR SUGIMURA: Oh, oh, 400 individuals. Okay. Thank you very much. So, you have been working on this. Appreciate it. So, Members, with your permission, I would like to defer this item so we can bring it back and get an update, maybe quarterly, once we're ready.

COUNCILMEMBERS: No objections.

## ACTION: DEFER pending further discussion

CHAIR SUGIMURA: Okay, thank you. So...all right, great. So, I'm going to defer this item and excuse our resources. Thank you very much. Hawaiian Tel, thank you very much for presenting, though we haven't...we couldn't see you, but

### November 16, 2023

thank you for working on this on your State-wide project. And thank you, Jeanne, and Laks, and...and Chung Chang, and Mr. Yoshimi, so appreciate it. So, I'm going to defer this item. I'm going to take a ten-minute recess, and then bring the following items back after that. So, this is now 3:38, and at 4:48 we'll be back  $\ldots$  (gavel)...

<b>RECESS:</b>	3:38 p.m.
<b>RECONVENE:</b>	3:55 p.m.

CHAIR SUGIMURA: ...(gavel)... Welcome back, everybody. It's 3:55, and welcome to the...welcome back to the BFED Committee. So, I...we're going to be taking up testimony. We'll be receiving testimony through all of these people who have been sitting in the Chambers for the rest of the items that are on our agenda, which I read earlier. And...and then we'll hear from Finance resource regarding the first bill, which is the Real Property Tax Bill, which we've been waiting for, and then...and then we'll, you know, go through our regular routine. So, at this time, I'm going to take all the public testimony from people who have been waiting patiently in the chambers. Names?

## ... BEGIN PUBLIC TESTIMONY ON ANY ITEM...

- MS. APO TAKAYAMA: Chair, the next testifier is Peter Horovitz, to be followed by Michael Williams.
- CHAIR SUGIMURA: Thank you for waiting.
- MR. HOROVITZ: Thank you, Chair, and Members of the Committee. My name is Peter Horovitz, attorney in town here, but I'm testifying just on my own...own behalf. I'm testifying on behalf of the Real Property Tax Bill. I previously offered testimony, you know, and I won't reiterate all of it, but my basic thought is that whatever comes out of this Committee and the Council should be fair and equitable across all tax...tax zonings, not simply limited to residential. And I think it should also take into account those whose properties are unlivable. There are...you know, as we all know, properties within the fire zones that people won't be able to access for years because of health and safety concerns, and so whatever comes out of Committee should take those into account as well. And I do also want to recognize, I know this is just one piece of what the...this Committee and the Council is doing, and so that some people might be helped through this effort, and some might be helped through other efforts, and I recognize that. I do think, though, that this is one of the most visible things you're doing, and that's probably why you're going to get a lot of comments and...and testimony on it. So again, my...my overall thought is just be fair and equitable and...and recognize that, you know, people in Lāhainā, people in Upcountry, you know, were...were impacted, you know, by this, so it

### November 16, 2023

shouldn't be limited to one single zone, one single tax classification, or whatnot. So, I...I know that you have a lot more to do, so I'll limit my comments to that.

CHAIR SUGIMURA: Thank you. Anybody have questions? Ms. Paltin.

- COUNCILMEMBER PALTIN: Thank you, Mr. Horovitz. I was wondering if you could clarify, when you said, "won't be livable due to health and safety concerns." Do you have any source that you're citing on that? I mean, I kind of agree, but people are going inside with no masks and just having those personal monitors on them. And so, according to the sources that be, they kind of think it's safe or something, so I just was wondering if that was an opinion, or that was based in some sort of fact that I can also use?
- MR. HOROVITZ: Certainly. I think what I meant by that is there's areas that people are going to be prohibited from occupying, and one of the most visible ones is Lāhainā Shores, for example. That 199 units, you know, it...it is still standing. I don't know the current state of it, but it has no sewer, no water, no whatever, and people can't occupy it. And it might be something people can occupy in six months, it might be three years, but at some point, the...the government really has to say when people are allowed to be back there. Right now, they cannot be...they...they cannot use those properties. And there are others. That...that's what I'm talking about. I'm not talking about a choice that someone makes--I'm just not going to return to my home--I'm talking about when they are prohibited from doing so.
- COUNCILMEMBER PALTIN: And...and just to clarify, it's not just not having water and sewer that would be the prohibiting factor because I think like...you know, Hawaiian Homes didn't have water, sewer and electric, and people were occupying it. So, it's like the government saying --

MR. HOROVITZ: Cor --

COUNCILMEMBER PALTIN: -- not allowed to live there.

- MR. HOROVITZ: Yeah. I...I...that would be...I think a standard would have to be set, and I think it would be a governmental standard of saying you're not...we're not going to let you live in this space, or use this space for whatever purpose it was...it was designated for.
- COUNCILMEMBER PALTIN: And...and to your knowledge, has that happened, a government standard being set?
- MR. HOROVITZ: I don't know whether a long-term government standard has been set, but absolutely, there are people who are not able to use their properties. And I would fully expect that as the County does...does its...its infrastructure

### November 16, 2023

inventory, it's going to say we can't...you know, this place doesn't have water, this doesn't [*sic*] place have sewer, we're not going to let people live in it. Just like you can't get a certificate of occupancy for a house you build unless you get various sign-offs. There are...there are going to be situations like that. I mean, I think, someone at the County, Water, had said, hey, it might be three years before we get water service back because of all the...the pipes that were burnt--which may or may not be true, and I'm not trying to put words in anyone's mouth, but without those things...I mean, I've done development work. Without those things, you will not get a...certificates of occupancy for, whether it be residential, or commercial, or anything. So, you know, I would assume that at some...you know, some level, the County would be saying that, we're not going to let people use the property for its stated purpose, and that would be my standard. I don't whether that will be the standard of the County, though.

- COUNCILMEMBER PALTIN: Yeah. I...I didn't realize you need a certificate of occupancy for a home that's already standing that already got the certificate of occupancy the first time. I...that was...that's a new one for me.
- MR. HOROVITZ: Typically, in...in any development, you would need to get a...a...renew a certificate of occupancy if there has been a significant change. So, if I have a home that someone has said you can occupy, and I sell my home, you don't need a new certificate of occupancy. Same thing with a business. But if there's a significant change, then yes, the County would typically require a new certificate of occupancy. I would say that loss...having to redo the entire sewer infrastructure, entire water infrastructure, seeing if it is...if it is...you know, if health and safety would allow you to be there, is a significant change. That would be my assumption.

COUNCILMEMBER PALTIN: Thank you. I'll try to see if...that we got to do that.

- MR. HOROVITZ: Thank you.
- CHAIR SUGIMURA: Okay. Any other questions for Mr. -- Mr. Johnson.
- COUNCILMEMBER JOHNSON: Thank you, Chair. Clarifying question. You mentioned fair and...fair and equitable. That's a term, when we talk about taxes, that really gets me...really kind of rings my bell, if you will. It...I think that the folks who are living long-term, contributing to the community, I understand, we...we want to help them. Those folks that have been making short-term rentals and making hand over fist from our community for a long time, I feel that they...they...it's time to ante-up and kick in, in many ways. I don't think the idea...so, my question to you is, when it comes to fairness, do you think that fair just means everyone's treated equal, or that we...we kind of

### November 16, 2023

look at everyone's needs being met? So, I want to clarify on what your definition of fair and equitable means.

- MR. HOROVITZ: In my...in my view, my personal view, and I'll...I'll try to back it up, is that if we're going to provide relief and say that those properties that were destroyed or uninhabitable can't be...you know, we're going to give some level of tax relief, it's across the board. Because honestly, I...I...I know, and we probably all know, people who live here, are...are of the community who are multi-multimillionaires, and this is a drop in the bucket. We also know people who may not live here, may have one of those...you know, a...a rental property who, that's where they sunk all of their retirement income, and that's what they live off of. And how do you say...you know, how...how...how do we say, well, you know, we're going to, you know, penalize you, we're not going to--not penalize, penalize is the wrong word--we're going to give an...a break to you, and not to you, without digging into everyone's tax returns, and...and net worth, and everything like that. I might be wrong, and I totally understand the desire to...we only want to help the people who are ... you know, who are residents of Maui County, and maybe that will be the standard. I don't know. Personally, I think it should be across the board.
- COUNCILMEMBER JOHNSON: Okay. I...I understand where you're coming from. I...I think the folks...short-term rentals making 100 grand a year, to me, like that, I...and I...some might...you know, that might be their retirement, and they...I understand that. I just think when we talk about fair...I already mentioned it, so I'm not going to talk in circles --

CHAIR SUGIMURA: Yeah.

- COUNCILMEMBER JOHNSON: -- but I just understand where you're coming from. I...I wanted to kind of clarify on that.
- MR. HOROVITZ: Sure.
- COUNCILMEMBER JOHNSON: Thank you.
- CHAIR SUGIMURA: Thank you. Any...Member Cook.
- COUNCILMEMBER COOK: Thank you. So, Mr. Horovitz, when...we just heard clarification, not...if being fair and equitable, insofar as residential and commercial, so if someone doesn't have the use of their property, the County doesn't tax them until they could use the property?
- MR. HOROVITZ: Correct. That...that...that would be...or, I think I'd mentioned previously, if they...if a property is sold, I...I think whatever...my...again, my personal belief is that the tax...whatever tax break is offered would go away

### November 16, 2023

upon sale. Because if someone sells to someone who's buying it at a discount because it's not going to be able to be used for a number of years, they're somewhat speculating in it and, you know, I...I don't think the...the tax should...the...the tax break should continue in that situation. But, you know, whether it's residential or commercial, whatever, if it's gone, it's gone.

- CHAIR SUGIMURA: Okay. Thank you. Any other questions for Mr. Horovitz? I see none.
- VICE-CHAIR KAMA: Chair?
- CHAIR SUGIMURA: Thank you very...oh.
- VICE-CHAIR KAMA: Chair?
- CHAIR SUGIMURA: Oh, sorry. Vice Chair Kama, go ahead.
- VICE-CHAIR KAMA: Thank you, Chair. Thank you for being here, Mr. Horovitz.
- MR. HOROVITZ: Thank you.
- VICE-CHAIR KAMA: So, I'm trying to think about, when we talk about what's fair and what's equitable...throughout my whole life, and I haven't lived that long...but there's really a lot of stuff that's not fair and equitable --

MR. HOROVITZ: Certainly.

VICE-CHAIR KAMA: -- and yet we have to live through that, and we have to understand that that is life. So, and...but at the same time, I'm trying to think about...those who were impacted by the fires have suffered. And how do you measure suffering? Somebody suffered more because you lost more, but I suffered less because I only lost this and not that? And yet we're here trying to figure out how to...how to give tax breaks to those who have been impacted. So...so, my question to you is then, how do you measure fair and equity [*sic*] in terms of how people suffered, and how much they suffered?

MR. HOROVITZ: I don't know.

VICE-CHAIR KAMA: Yeah.

MR. HOROVITZ: I don't know.

VICE-CHAIR KAMA: Thank you. Thank you, Chair.

### November 16, 2023

- CHAIR SUGIMURA: That's a hard one. Anybody else? Seeing none. Thank you very much for waiting.
- MR. HOROVITZ: Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. Next testifier?

MS. APO TAKAYAMA: Chair, the next testifier is Michael Williams. They indicated they would like to wait to testify after the testimony...or, I'm sorry, after the opening remarks.

CHAIR SUGIMURA: Okay.

- MS. APO TAKAYAMA: Can you please clarify if you'd like to testify now or after opening remarks for each item?
- CHAIR SUGIMURA: Mr. Williams? Did we lose him?
- MR. WILLIAMS: The reason I said...postpone my testimony until after presentations is I didn't know if the Department of Finance was going to present on their proposal on how to handle changing long-term rental rules for...for people that are renting out to the fire-displaced. That's...that's the only issue. I don't know what the...I don't know what the Administration's going to say about that. But I'm...I'm happy to testify now, if you prefer.
- CHAIR SUGIMURA: We're going to have a presentation from our...the Department, so if you want to wait until after that, you can testify after.
- MR. WILLIAMS: Yes, I would. Thank you.
- CHAIR SUGIMURA: Okay. Thank you . . . *(inaudible)*. . . Any other testifiers? I think we have Annette Williams [*sic*]. Annette?
- MS. APO TAKAYAMA: Chair, yes. The next testifier is Annette Niles to be followed by Zandra Amaral Crouse.
- MS. NILES: Good afternoon. Oh, I should say almost good evening. ... (laughing)...

CHAIR SUGIMURA: ... (laughing)...

MS. NILES: My name...my name is Annette Niles. I'm a rancher and a farmer. I'm here on the Bill 103, I think it was, in...with dedication and agriculture. And so, my thought on it was, you know what? We're getting tired of being thrown under the bus, for one thing. Our...all our lands are being bought up and being taken away from farms and ranches. And all we want is people to pay their tax

### November 16, 2023

that's supposedly pay it, and not get away with having these properties just sit, when...when we have a lot of farmers and ranchers that need the land...that need the land, but can't do it because they don't want to get tied up into a lease that takes them one...they're going to go do a whole lot of fencing, and then in one year, they're saying, okay, you need to leave. And you guys know how much fencing costs. They need long-term on this. We're never going to get nowhere with...trying to get farm...you know, feeding our community if we gonna let them get away with things like this. We need to get this places inspected, you know? Because there's a whole bunch of 'em, you know? And we get inspected. You know, we're dedicated, so they come, and they inspect, and I'm grateful for that, you know? But we need to get a plan here to try and see what we can do, on long-term, for the ranchers and the farmers, you know? And have them fence it, you know? You want to get rid of it sooner? Well, you fence it, not the person that's gonna lease it. That's all I got to say. Thank you.

CHAIR SUGIMURA: Okay. Any other questions for Ms. Niles? Member Cook.

COUNCILMEMBER COOK: Thank you, Ms. Niles. So, I mean, broad strokes possibly, if someone has property, and they're saying it's ranch land, and that's how they're qualifying, that part of their qualifications would be that they would put in improvements to demonstrate that that's what they're using it for? And then, if they leased it, it would be usable, as opposed to trying to get an Ag rate --

MS. NILES: Yeah.

COUNCILMEMBER COOK: -- deduction --

MS. NILES: Right.

COUNCILMEMBER COOK: -- and not having really put any improvements --

MS. NILES: Nothing.

COUNCILMEMBER COOK: -- on the property?

MS. NILES: Yeah. I mean, you can live there, but around you, you could be leasing your property, you know what I mean, to people that can use it. You know what I mean? For the ranching...and we would have a whole lot of people, you know? But they don't want. They want privacy, or they want to sell it. Because I know of two places already, they just bought...sold the person's...local people sold for 1.5. They bought 'em [*sic*] from 2-point-something. It's right now in \$3-point-something, and in five days, it's in escrow.

CHAIR SUGIMURA: Wow.

### November 16, 2023

MS. NILES: So that's what we getting right now. And that's in Kula.

COUNCILMEMBER COOK: Thank you for your testimony.

MS. NILES: Okay. Thank you.

COUNCILMEMBER COOK: You're welcome.

CHAIR SUGIMURA: Oh, yeah. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Good evening, Ms. Niles.

MS. NILES: Oh, good evening.

- COUNCILMEMBER JOHNSON: Thank you for testifying. Just to clarify, do you support the Bill 103 and a...a higher tax rate for fallow lands?
- MS. NILES: Yes. Oh, yes. Believe me, yes. And then with this fires, I mean, it's spooky. It's very dangerous that these lands sit with nothing on it. You know, you put the animals in. I go back 27 years, 30 years ago...in the back, we used to ranch Kahikinui. Lucky if we had two fires in the whole time we were there. Because that had cattle in it, and was all right on the road, put out the fire real quickly. After that, they called me back because they couldn't find the roads. The fires was, I mean, raging back there, okay? Why? Because nobody's using the property. The winds pick up, it's like Lāhainā...I'm...I'm glad, you know, it didn't happen to them there, where the houses went down like Lāhainā. You know what I mean? That's so sad for what had happened, when things like this could be taken care of. You know, we need to...we need to get this thing straight. You know, you dedicate, you dedicate, you dedicate. We dedicated for years and years, and we dedicate to farming and ranching, and we need to keep it going, especially now. If that boat stopped running, we have no food. I mean, is that what we want?

CHAIR SUGIMURA: Okay.

COUNCILMEMBER JOHNSON: Thank you. I...fallow lands seem like a health and safety issue when we have to --

MS. NILES: Yes --

COUNCILMEMBER JOHNSON: -- especially after what happened on Maui --

### November 16, 2023

MS. NILES: -- very much so. Even for...for the owners that buy the land and not putting anything on it. I mean, they can't go and lawnmower...they're not lawnmowering [*sic*] the pastures of 20, 30 acres, you know what I mean?

COUNCILMEMBER JOHNSON: Yeah.

MS. NILES: So, we need to have them do something, you know what I mean?

COUNCILMEMBER JOHNSON: ... (inaudible). .. lease to farmers.

MS. NILES: Oh, yeah. Oh, yeah. Very much so.

COUNCILMEMBER JOHNSON: Thank you so much. Thank you, Chair.

CHAIR SUGIMURA: Okay.

MS. NILES: Thank you.

CHAIR SUGIMURA: Thank you very much, Annette.

MS. NILES: Thank you.

CHAIR SUGIMURA: All right. Any other questions for Ms. Niles? Oh, wait. Hang on.

MS. NILES: Sorry. Oh, I'm sorry.

CHAIR SUGIMURA: Don't leave. Here's Ms. Paltin.

MS. NILES: Oh. Sorry. Oh, you're on the TV. Sorry.

COUNCILMEMBER PALTIN: Thank you . . . (inaudible). . .

MS. NILES: Yes.

- COUNCILMEMBER PALTIN: Thank you, Ms. Niles. I just wanted to clarify, were you still in favor of using...utilizing the G-49 instead of the inspection, or in addition?
- MS. NILES: Oh, yeah. You know, I mean, license. I mean, when you go get a grant, you're looking at the qualifications, right, on that grant. And the grant takes you to having your business license, having a GE, your residency. I think that that is a great thing, you know? Yeah.

### November 16, 2023

- COUNCILMEMBER PALTIN: Okay. And then...so, also, like you mentioned, people sell the land. At that point, should they have to reapply for a new Ag dedication and then --
- MS. NILES: Well, whoever buys it, yeah. Because it's new owners, right? You...you're not taking on a whole ranch or a farm, unless they're buying out the farm, maybe, but unless, you know, they're doing that, then yeah. But other than that, it's reapply. Because you don't know the second person, what they're going to do. They might just bulldoze it all, put homes. We seem to be seeing a lot up there with no water, you know what I mean? So, yeah.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: Okay, so a G-49 and reapply upon sale. Thank you.

MS. NILES: Um-hum. Um-hum. Yeah.

CHAIR SUGIMURA: Okay. Anybody else have questions for her? Okay, seeing none.

MS. NILES: Thank you.

CHAIR SUGIMURA: Thank you for --

MS. NILES: No, thank you.

CHAIR SUGIMURA: -- waiting all day. Appreciate it.

MS. NILES: Bye.

CHAIR SUGIMURA: Bye. Next testifier?

- MS. APO TAKAYAMA: Chair, the next testifier is Zandra Amaral Crouse, to be followed by Greg.
- MS. AMARAL CROUSE: Good afternoon, Councilmembers, and Committee Chair. Name is Zandra Amaral Crouse and I'd like to testify...what, that was on 35, the other Lāhainā one, the taxes?

CHAIR SUGIMURA: Taxes, yes.

MS. AMARAL CROUSE: 35? Yes, okay. I'd like to start with that one. I'd like to first say that, whatever we can do. Because right now, I...I know that all of you are very cognizant of the fact that our people, our friends and families who lost everything, many of them are out of work as well. We're slowly bringing...the Hyatt just brought their employees back to work, so it's...it's difficult. And

### November 16, 2023

when...there was a question asked regarding how do you determine who's suffered the most. That is the most inhumane question I have ever, ever heard. I am sorry. Everyone suffered. You suffered. My family on Moloka'i suffered. Everyone who has family here has suffered. And as far as those who physically suffered from being there, every one of them suffered equally. And when we look at short-term rentals, what we need to remember...our family, who lost their homes in the fire, need the job from these short-term rentals in order to pay to build another house. Another thing you need to look at, when you look at short-term rentals, is that they are a very large base, Madam Yuki, of our tax bracket. And you, as the Chair of the Finance Committee, I know you know that. We all know that. So, before you ask yourself who deserves more, I ask you, as stewards of what will happen to Maui County and Lāhainā, ask yourselves how can I, as a Councilperson, how can I, as a Financial Chair, make it so that everyone can come back to what they were, or better than what they were? I am very grateful that we're looking at tax cuts, equitable through the line. I agree. I agree. Everyone suffers. Businesses provides citizens with jobs. Short-term rentals provide income and taxes so that we can put these nonprofits together. It's...we need each other. It's not about ... (timer sounds)... you and me. It is about us.

CHAIR SUGIMURA: 30 seconds.

MS. AMARAL CROUSE: I know that. I know that. One thing I want you to remember. In seeing my son play sports, my grandson win his team, the World Series for the Little League twice, there is no 'I' in team. And right now, my friends, we need to be a team. Thank you. Okay.

CHAIR SUGIMURA: Thank you.

MS. AMARAL CROUSE: I'll go on to the agriculture, 103. I had a conversation with--I called Scott Meidell, the president of Haleakala Ranch, because my house abuts it, and we're very close. Our families...well, the Baldwins and us grew up together. And I expressed that I'm very concerned. And I know, Yuki, this is in your heart as well, agriculture and...and I asked him, I said, Scott, you know I'm very concerned, because you guys subdivided already. And he...he assured me, they're not thinking of doing anything with the land, but they needed to get it to where it was...where it is now. And they just got through with the process, a very long, litigious ongoing. But I asked him, I said, Scott, you know, my cousin Brandon leases your ranch, my family, the Freitases, the DeCoites, have been in ranching over 100 years here. And Brandon leases the ranch behind my house, Haleakala Ranch. And he said, you know, Zandra, I had that exact conversation with all the Cattlemen Association, because we do, we talk about sustainability. And I know that cows poop a lot, and the ozones -- and I don't know nothing about that, but they say--but we...if we're going to be sustainable, we need to look at not only protecting our agriculture and food,

### November 16, 2023

which is extremely important, but we need the beef. I grew up on a pig and cow farm in Paukukalo at the mouth of the Jao River...the mouth of the Jao River right down to the beach, and that helped sustain ten children and two parents who worked at Maui Land and Pine, sent their children to St. Anthony's school, all of them, and then left each of us a \$25,000 dowry when my father passed. How? Just like yours did. No trips. No spending. Work hard. But the farm really subsidized, and that...it was that money that put us through St. Anthony. It was that money that put food on our table. Because the cannery--and my father is a machinist, my mother is a poor lady--it didn't, it didn't cut it. So, I humbly ask that we really look to ways to get the fallow land into cattle raising, or some kind of stock. My brother, his daughter has his property up in Kula, way up. She and her husband raises goats. Just so that ... (timer sounds)... they have the subsidy to raise the many children that they have. So, I'll conclude with that, because I know it is in your heart, especially you, Yuki, Chairwoman, agriculture and taking care of the people. But guys, we need to take care of our cattlemen so that they can continue to feed us. Thank you.

- CHAIR SUGIMURA: Thank you. Thank you very much. Anybody have questions for Ms. Amaral? Seeing none. Thank you very much, Zandra.
- MS. AMARAL CROUSE: Thank you, Yuki.
- CHAIR SUGIMURA: Thanks for hanging out with us all day.
- MS. AMARAL CROUSE: Oh, no problem.
- CHAIR SUGIMURA: Next testifier.
- MS. APO TAKAYAMA: Chair, the last individual signed up to testify at this time is Greg.

CHAIR SUGIMURA: Okay.

MR. GREG: Good afternoon, County Council. Konnichiwa. Can you hear? I'm here today to support exempting property tax for the owner-occupied homes that are located in the fire area and are currently uninhabitable. We would additionally like to ask that if any current investment property is willing to rent at HUD rates long-term to displaced residents, they can also receive the identical tax benefit. Puamana has very few surviving resident properties; however, over 100 TVR-class properties still stand. If a displaced resident can obtain a long-term lease from one of the many intact Puamana investment properties, we ask that the Council consider waiving all property taxes for the duration of the lease. The agreement of a long-term lease should be a binding contract once the property is available for occupancy. This should allow for the immediate tax-relief consideration for the investment property owner. We ask the Council

#### November 16, 2023

to consider waiving the long-term rental tax class in its entirety for the duration of the rental contract. We hope the Council can make it clear that residents are the focus of these relief efforts, and if you are an investment property owner willing and able to help a resident, you also can receive identical and timely property tax relief from the County. Approximately five of the more than 200 investment properties in my community participated in long-term rentals to help the well-known and escalating Maui housing crisis. The fire-related housing emergency calls for extraordinary measures County-wide to try to find homes for all our displaced residents. We hope Maui County can find a way to incentivize and motivate all investment property owners throughout the County to rent affordably and long-term to displaced Maui residents. In closing, we request the elimination of taxes for owner-occupied properties in the burn zone, and the temporary reduction to zero of long-term rental tax rate for any Maui County investment property willing to affordably house displaced residents. Mahalo for your time.

- CHAIR SUGIMURA: Thank you very much. So, if I could ask the clarifying questions, and then we'll turn it over to the Members. So, you live in Puamana, or you own in Puamana. You don't live here, correct? And you have a property that you're willing to rent under HUD...you said, HUD rates, and then we would...County would waive all taxes for you, or for this category?
- MR. GREG: So, I am a displaced Puamana resident. My unit did burn down. And we've been trying to talk with the other owners to rent when it becomes available, but the tax situation has made that a little impractical.

CHAIR SUGIMURA: I'm sorry about your property. So ---

MR. GREG: Thank you.

- CHAIR SUGIMURA: -- okay. Anybody have any other questions for Greg? Oh, Ms. Paltin. Member Paltin?
- COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Greg. So, my understanding of what you're saying is the long-term rental, as it was written in the bill by the Finance Department at this time, is not enough, it should be zero rate...rate of zero?
- MR. GREG: It would be nice if it were, only because that tax rate affects the rent. So, if we're trying to stay at HUD levels, now those taxes, because of the property values at Puamana, would not incentivize those owners to...to rent long-term, just because of the --

COUNCILMEMBER PALTIN: So, and --

#### November 16, 2023

MR. GREG: -- you know, those rates.

- COUNCILMEMBER PALTIN: Yeah. And...and you're saying that exactly HUD market...fair market value...because I believe FEMA has authorized rent, continued rent assistance and like that to like 175 percent of HUD fair market value. But you're saying if they choose to rent it at exactly HUD fair market value, then zero.
- MR. GREG: That would be my...my hope, yes.
- COUNCILMEMBER PALTIN: Right.
- MR. GREG: Just to motivate people to...to rent the units. A lot of people have said they'd like to, but there are just problems with the expense to be able to have an affordable rent.
- COUNCILMEMBER PALTIN: And...and do you know, like, what the HUD fair market is for the one-, two-, three-, and four-bedrooms?
- MR. GREG: It was like 2,150 for a one-bedroom, 2,650 for a two-bedroom and like, 3,200 for a three-bedroom.
- COUNCILMEMBER PALTIN: If...if you could email us where you got that--because when I'm speaking to FEMA, they said at 175 percent of HUD fair market value, it's 1,700 for a one-bedroom.
- MR. GREG: Yeah, I just had gone to Housing and Urban Development and put in the zip code, but I can send that information over.
- COUNCILMEMBER PALTIN: That'd be great, thank you. It's bfed.committee@mauicounty.us.
- MR. GREG: No problem.
- COUNCILMEMBER PALTIN: Thank you.
- CHAIR SUGIMURA: Thank you very much. Anybody else have questions for Greg? Seeing none. Thank you very much. Next testifier?
- MS. APO TAKAYAMA: Chair, I saw an individual is approaching the podium, if they'd like to testify.

CHAIR SUGIMURA: Oh.

### November 16, 2023

- MR. LAW: Madam Chair, I just want to thank Director Scott Teruya and his Staff for sticking around with the County, and maybe someday they can...when we start getting out of this mess, they can figure out how to make the churches in our neighborhood pay their fair share of the property taxes on their land.
- CHAIR SUGIMURA: Any questions for Mr. Law? Seeing none. Thank you very much. Any more testifiers?
- MS. APO TAKAYAMA: Chair, there's...Staff is currently --

MR. BENCE: Can you hear me?

CHAIR SUGIMURA: Oh, okay.

MR. BENCE: Hello?

CHAIR SUGIMURA: No, we can hear you. Please identify yourself.

MR. BENCE: Aloha, Council. My name is Robert Bence. I wanted to testify on the two measures. The first one, the vacation rentals. I've seen a lot of testimony from people that invested on that Lāhainā Shores. They don't live here, and I caught what Councilmember Johnson said. I agreed. It's time that...the least they could do is agree for long-term rental. And a lot of us don't have sewer or any utilities, you know, without the fire. When I grew up here, and I had to go to California to get brain surgery for a birth defect, and all the people over there were talking about, oh, it's so cheap to invest in Maui, and they all investing in Maui, and they renting 'em out for top dollar each day. And then all these guys are saying, oh, we shouldn't get taxed. So, they don't vote...they don't vote here, they're not from here, so they should be taxed. I just drove by Lāhainā Shores earlier today, just seen 'em. It's fine, so ... (inaudible)... tax those guys. But the main one that I wanted to...I...I guess I'll conclude on that measure. I submitted written testimony for CD1, Bill 103. I was going to try to read this, if I can. Aloha, Council. I'm a generational farmer from Kula, fortunate enough to purchase part of my family's farm with a USDA mortgage the same year I had a surgery for a birth defect, learned how to walk and talk again. The farm saved my life. The farm is certified organic. We have an NRCS Conservation Plan that helps us to conserve water and soil, and helps to ensure our farm acts as a buffer to protect the land, the water, the people, from negative environmental factors, like runoff, where the storms before ... (inaudible)... keep the water on the farms up here before it goes down and...with the fire. And in the tiers, I believe there should be, for the low-income, in my case severely disabled, local and keep the funds we generate in the local economy to employ other locals. I think we should be given a break to help diversify the economy. My property tax went from \$400 per year--which was affordable, but I could lease my land for that much--to skyrocketing to over

### November 16, 2023

75 percent of my gross annual income, and that causing more health problems for the stress of potentially losing my life's work. I don't think we should be taxed out of our home and livelihoods. Please...please enable us to be granted no taxes for low-income, disabled farmers meeting the environmental criteria that makes our islands better able to handle disaster and diversify the economy as a tier. And then, maybe a second tier could be property that is farmed, but farmed by large out-of-state corporations that do not care for the land, allowing pesticides, microplastics, the PFAs, the forever chemicals, synthetic nutrients, and precious topsoil to drift past the fence lines and into our water as they extract the profits. The large foreign corporations could and should pay more for the negative externalities our community has to currently cover for the billion-dollar companies, as well as the extremely wealthy owners who do not use the Ag lands, and allow it to become a fire threat. I think that third tier could be in between the two extremes, that is several gentlemen estates right around my farm, throughout the country, West Side, and elsewhere in the County, and some commercial farms that could afford to pay some property tax, but could also ... (timer sounds)... use some more incentives to stay in agricultural production. And just --

CHAIR SUGIMURA: 30 seconds.

- MR. BENCE: -- wrapping it up, the fires highlighted a topic we were discussing at the Soil and Water District's meeting on August 7th, and for decades before that UH Maui meeting, a few times since the fires, about large Ag landowners and the need for the carrots and sticks for Ag practices that go beyond our farms' borders. We local low-income farmers who love soil, water, and people . . .(timer sounds). . . as one do not need carrots to do what is right, but our current laws...our taxes are very, very, high. Incentives would go directly back into the farm, thus helping the local economy. The billionaires do not need or even respond to incentives, so at least a tax tier for them could help fund the local economy to diversify to more resilient local agricultural systems. Mahalo.
- CHAIR SUGIMURA: Thank you. Does anybody have questions for the testifier? Mr. Johnson...Member Johnson.
- COUNCILMEMBER JOHNSON: Thank you, Chair. Robert, I would really like to see if you could email me your testimony.

MR. BENCE: Will do.

COUNCILMEMBER JOHNSON: Thank you so much. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. Thank you very much, Robert --

MR. BENCE: Thank you.

### November 16, 2023

- CHAIR SUGIMURA: -- for your consistency in testifying. Anybody else --
- MR. BENCE: Mahalo.
- CHAIR SUGIMURA: Thank you. Any...any other testifiers?
- MS. APO TAKAYAMA: Chair, Staff has not received any further requests for testimony at this time. I'll do a last call --
- CHAIR SUGIMURA: Okay.
- MS. APO TAKAYAMA: -- three, two, one. Chair, seeing no other testifiers.
- CHAIR SUGIMURA: Okay, fabulous. So, at this time, I'm going to close public testimony for all the items on our agenda. Thank you, everybody, who stuck around.

## ... CLOSE PUBLIC TESTIMONY ON ALL ITEMS...

- MR. KRUEGER: Chair, apologies, just...just to clarify, just...just for the time being, we'll still need to take testimony after opening comments per item.
- CHAIR SUGIMURA: Oh, okay. Okay. So, we...we've heard from everybody here.

#### ITEM 35: REAL PROPERTY TAX EXEMPTION FOR PROPERTIES IMPACTED BY NATURAL DISASTERS OR WILDFIRES (BILL 91 (2023); BILL 95 (2023); BILL 102 (2023))

- CHAIR SUGIMURA: So, now, Members, I just wanted you...you to do a little bit recap. So, at our last meeting, this item, which is RPT, the Real Property Tax Bill, BFED-35, we deferred it to get the Department of Finance to come back with a proposed legislation regarding tax relief considerations. And the Department's proposal is posted on the agenda today, it is item number 6, BFED-35. We have with us today, Director of Finance who left, sorry about that, Director Teruya, and as...and also, Real Property Tax Assistant Administrator Marcy Martin, to explain the proposal that was presented with us. And...so, if you could do your opening comments. Thank you. Thank you, Marcy.
- MS. MARTIN: Thank you, Chair. Yes, to recap, on October 31st, the Department shared a letter approved by Mayor Bisson, which describes the wild...wildfire tax relief that has been granted to date. So, so far, 2,097 properties have had a

#### November 16, 2023

total of \$11,159,916 in real property taxes waived for the fiscal year ending June 30th, 2024. So, these properties were all waived...that were waived...were completely destroyed. As of October 31st, there were an estimated 3,808 parcels given reentry zone numbers in Lāhainā, so about 1,711 remain taxable. Of the 1,711 taxed parcels in Lāhainā, it is estimated that only 578 are available for use...they have the green reentry zone. In Upcountry, we have discovered 20 impacted parcels, and seven currently remain taxable. So, the bills presented by this body on October 31st appeared to extend the existing waiver made by the Mayor's proclamation beyond this fiscal year. In addition, the bills include waivers for parcels that remain taxable. The Mayor approves of the Department assisting in this legislation by providing data and language analysis as, you know, we want to help all that are affected. Current disaster remission language is currently located in Maui County Code 3.48.230. So, on October 31st, Bill 95 was introduced, which extends long-term rental benefits beyond what is currently in the Code to taxpayers providing housing to the displaced. The Department reviewed this language, and would not be able to Also, the Code does not provide for implement the program as written. retroactive exemptions. But the Department considered the intent of the bill, comments from property owners, and comments from the displaced that indicated they desire longer-term housing solutions. In response, the Department drafted a six-month lease long-term rental exemption. By moving the lease period from less than a month, to 6 months minimum, to 11 months, the proposed exemption will not undermine the current efforts to provide long-term rental housing to all of our residents. So, in addition to the bills introduced on October 31st, the Department wanted to make clear that in order for us to manage the reassessment of the impacted parcels for January 1, 2024, we are requesting revisions to Maui County Code 3.48.415 as submitted. The changes will allow parcels that are not occupiable to remain...to maintain their exemptions for next year. For example, if the owner-occupied structure on a parcel was destroyed, the owner no longer qualifies for the home exemption or the homeowner class. As the Code reads now, the Department should disallow this exemption for January 1st. Not only would this be a lot of work for the Division, it would negatively impact the taxpayer, and would alter our use records, which the Division and many others are using right now for I thank you for your consideration, and the decision-making purposes. Department is here to answer any questions they can.

CHAIR SUGIMURA: Okay. Thank you very much. So, we have a testifier standing by, right, Michael Williams? Two testifiers standing by after the presentation. So, we'll get the testifiers, and we'll come --

COUNCILMEMBER PALTIN: Chair --

CHAIR SUGIMURA: -- back with questions.

#### November 16, 2023

COUNCILMEMBER PALTIN: I had a question.

- CHAIR SUGIMURA: Oh, sorry. You have a question for Ms. Martin? Okay. Go ahead.
- COUNCILMEMBER PALTIN: Well, kind of, but also for you. I heard her go over, I think, part B of 3.48.466. I just was wondering if she was going to go over the whole...was that the whole...what she's went over, was that all of the changes? I was wondering if she could go...because my understanding from the last meeting like...kind of like, recapping your recap, was that you introduced a bill, Chair Lee introduced a bill, and I introduced a bill. And that --

CHAIR SUGIMURA: Right.

COUNCILMEMBER PALTIN: -- the Department of Finance was going to go back to our three bills, and then pull out the best of whatever of the three, and then smoosh them, and then give us what they got. And so, I just was wondering if, in the presentation, it was possible to say the parts of the three of our bills that were edited and why, if...if that's a possibility in the opening presentation?

CHAIR SUGIMURA: Okay. Ms. Martin, are you able to do that?

MS. MARTIN: Yes. Thank you, Chair. First, I know in the bills they had talked about continuing the Mayor's waiver, or even adding to that, and so, my suggestion is to move that language to 3.48.230, and that we use the reentry map on Maui Recovers to define the parcels in which tax relief will be extended or granted to. I think that covers--is it 102 and 91? Okay. Then for...and it also covers a portion of 95. And I would leave that wording up to this body, and we would review it and provide comments. For the long-term rental exemption, I added a separate exemption. So, the current one-year exemption with the favorable tax rate still exists because, you know, as the gentleman from Puamana was saying, if you rent for 12 months, and you're a short-term rental, and you provide that lease, the tax benefit is very large, very favorable. That already exists in the Code. It really...it takes the taxes down to almost what the owner-occupied class is. So, we already have a great program for that. But in listening to different groups of people, I thought maybe we could create kind of a middle tier, and that would be a six-month exemption, and it would just be the exemption, not the class...and this body could decide on what that exemption would be. And the benefit about the...providing the exemption as opposed to the exemption and the class is that it's...it's going to benefit your lower-value properties more, which are probably more likely to use the program. You're not going to take so much of the subsidy and give it to one expensive property, that you'll be able to spread the subsidy out through your more affordable-type homes. So, basically, they would apply with the Real Property Assessment Division, and under B.1., right now it's at 300,000, but it...it could

### November 16, 2023

be, you know...or I think it's under 200,000, it could be 300,000, it could be 400,000, whatever this body would decide. And so, if you are renting six months under a signed contract, you would be entitled to this exemption. And if you had a short-term rental, and the exemption was 300,000, you would receive a \$3,555 reduction. If it was 400,000, the reduction would be just under \$5,000 a year. So, for a \$800,000 unit, that would be a 50 percent reduction, a \$400,000 exemption in the...in the taxes. And then this would be extended to properties in all classifications. And we have our deadlines, so we mail out assessment notices on March 15th, we certify for you all April 19th. You know, for this year only, we would make the effort to extend the deadline to January 31st to get the applicants in. We'd have to work really hard for the next two weeks to get ready for assessment notices but, you know, we would make the effort.

CHAIR SUGIMURA: So...go ahead, Member Johnson.

COUNCILMEMBER JOHNSON: I have a question for you, Chair. I...I don't want to...I know we're going on to public testimony. Did you have a plan on when we'll be --

CHAIR SUGIMURA: Yeah --

- COUNCILMEMBER JOHNSON: -- finishing the meeting?
- CHAIR SUGIMURA: -- I...I do. So, what's also happening is the MACC is closing at 5:00, so we're going to lose Tamara and Shane because they're sitting in the MACC offices; is that correct? Look at Tamara's face.

COUNCILMEMBER PALTIN: They never tell us.

CHAIR SUGIMURA: I got that from Mr. Krueger. Okay, so we got to hurry up. Then...I know I have Mr. Williams standing by. So, I will tell you, Members...oh, and let me ask you this one questions. This discussion, I had actually originally had this full agenda because we have so many bills that we need to hear. I said, when the Administration's ready, they're going to be sending us a lot of bills. Well, it's happening. And so, I had actually...I want to ask you, are you available to meet tomorrow? Because I had heard we lost our quorum. And if so, I had already...did a quorum...or checked to see if we had a quorum for October 21st, which is...I'm sorry, November 21st. So, the 20th is Council meeting, and the 21st is the next day, which I had planned on taking off...up...the Office of Recovery, those positions, as you know, the Emergency Fund, and...and those bills did not come in time for me to post and take up in the...on the 21st agenda, so that will be taken up on the 28th. But for the discussion for right now, do I have quorum for tomorrow? Like, I'm available, is anybody else available for tomorrow's meeting?

#### November 16, 2023

COUNCILMEMBER PALTIN: Can we do 1:30 again?

COUNCILMEMBER LEE: Yeah, 1:30.

CHAIR SUGIMURA: 1:30 is good?

CHAIR SUGIMURA: Who else is...are all...are all of...okay, one, two, three. That's fine. Okay, I got...a minimum. How about --

COUNCILMEMBER JOHNSON: I'm not free in the afternoon, I'm free in the morning.

CHAIR SUGIMURA: Oh, shoot.

COUNCILMEMBER JOHNSON: Sorry.

CHAIR SUGIMURA: And that's your bill coming up.

COUNCILMEMBER JOHNSON: Yeah.

- CHAIR SUGIMURA: Oh, okay. So, we have...we have quorum then at 1:30 in the afternoon; is that right? Okay. Sorry about that. I'll speak for you. Just kidding. Because that Ag Bill is yours that you asked me to hear. So...all right, Members. I'm going to...I was going to recess this until the 21st, but I'm going to take this...I'm going to meet again tomorrow at 1:30. So, whoever wants to go to the conference, the convention, tomorrow in the morning, you can do that. I think it ends tomorrow. So, 1:30 tomorrow. James, are we okay?
- MR. KRUEGER: Chair, it...it does appear that we've...you do have bare quorum for 1:30 at...for tomorrow at 1:30. We counted five. We counted you, Chair, as well as Councilmember Sinenci, Council Chair Lee, Councilmember Paltin, and Councilmember Cook.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER COOK: Chair?

- CHAIR SUGIMURA: And Nohe...Nohe is still unavailable, yeah? Oh, yes. Member Cook.
- COUNCILMEMBER COOK: I'll be available, but we do have the blessing for the Wailuku Garage tomorrow --

CHAIR SUGIMURA: Oh, that's right.

### November 16, 2023

COUNCILMEMBER COOK: -- from 2:00 to 3:30 also, that I was planning to go to, but I'm going to do what we need to do.

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER COOK: I just wanted to bring that to the --

CHAIR SUGIMURA: Yeah, okay. What time was that?

COUNCILMEMBER COOK: From 2:00 to 3:30.

- CHAIR SUGIMURA: 2:00 to 3:30. Okay, so we can't go then. Okay. James, so any comment regarding quorum?
- COUNCILMEMBER COOK: They're going to...so, it's tentative on mine. I assume that the Administration is having the blessing tomorrow at...at...
- CHAIR SUGIMURA: Yeah, I need to check too. They are having the blessing.
- MR. KRUEGER: Chair, Staff will just note that we did...when we polled for the November 21st meeting, we did secure quorum of--I think it was at least seven members, it might have been eight.
- CHAIR SUGIMURA: Okay. Okay. Member, your call. I'm available on both days. Go ahead, Member Johnson.
- COUNCILMEMBER JOHNSON: Chair, I...I can attend tomorrow, but after 2:15. So, I would be late.
- CHAIR SUGIMURA: Okay. Okay, so you can go. That's good. Anybody else? Okay. I...I'll leave it up to you. I mean, we're going to have bare quorum, sporadically, I guess. And we can meet tomorrow and continue this discussion. Yeah? You're okay? Chair Lee.
- COUNCILMEMBER LEE: Yeah. I think this matter is going to require a lot of discussion.

CHAIR SUGIMURA: Yes.

COUNCILMEMBER LEE: So, you know, even tomorrow may not be enough, but at least we can get started and --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER LEE: -- into the more complex part...parts of it.

#### November 16, 2023

CHAIR SUGIMURA: Okay. Because it's super important, yeah.

COUNCILMEMBER LEE: Yeah, it is.

- CHAIR SUGIMURA: It is super important. So, I...I do...I'm going to...I'm going to recess this meeting and...and take it up again tomorrow. But before I do that, Members, I wanted to pass on to you a map. Everybody's been talking about the zones and the map, and I wanted to --
- MS. APO TAKAYAMA: Chair, if we're going to get into the potential deliberations, we need to take testimony first.
- CHAIR SUGIMURA: Oh, okay. Okay. Oh, sorry, Mr. Williams, you were standing by.
- MR. WILLIAMS: Well, I can wait and testify tomorrow, if you're not going to close testimony on this particular item 35. Or I can do it right now, whatever you want.
- CHAIR SUGIMURA: Okay. What is better, based upon where we are with the time?
- MR. KRUEGER: Chair, our sense is that distributing the map would...would be going into deliberations. As such, the...the Committee should probably take testimony and close testimony prior to doing that.

CHAIR SUGIMURA: Okay.

- MR. KRUEGER: If...if you wanted to just leave testimony open, then we would probably have to wait until tomorrow to distribute that map.
- CHAIR SUGIMURA: Okay.
- COUNCILMEMBER PALTIN: Aren't the maps already on Granicus? ... (inaudible)...
- CHAIR SUGIMURA: I...I...the batch . . . *(inaudible)*. . . map is not on Granicus, right? Just the map. Okay. Go ahead, Mr. Krueger
- APO TAKAYAMA: Yeah. The map is on Granicus, but the letter is not. And the letter would...is what would take us into deliberations.
- CHAIR SUGIMURA: Okay. And we do need to give this to Finance to answer these questions, which is the...the letter. Okay. Thank you. Thank you, Member Cook. So, Members, I'm going to ask Mr. Williams if...if he can do testimony tomorrow. Because I really would like to then take up this map and the questions--we can't do it today, right?

### November 16, 2023

- MR. KRUEGER: The question portion, probably not, Chair. Not without closing testimony.
- CHAIR SUGIMURA: Okay. So, in other words, if everybody has had the maps...so, Mr. Williams, what is your preference? You were here all day. Do you want to testify--you know, I'm going to close testimony after you're done.
- MR. WILLIAMS: I'm happy to be quick if that will help you ---
- CHAIR SUGIMURA: Okay.
- MR. WILLIAMS: -- resolve this issue about --
- CHAIR SUGIMURA: Okay.
- MR. WILLIAMS: -- . . . (inaudible). . .
- MR. KRUEGER: Chair, just so you're know, there is another testifier ---
- CHAIR SUGIMURA: Okay.
- MR. KRUEGER: -- after Mr. Williams.
- CHAIR SUGIMURA: Okay. Okay. We'll hear you and the next testifier. Thank you, Mr. Williams.

## ... BEGIN PUBLIC TESTIMONY...

MR. WILLIAMS: Sure. Okay, my first point is, as to waiver of property taxes for anybody, beyond what the Mayor has already done, for next year, you should just wait until next year. You're going to have lots more information by next April, five months more time, to find out what's going on with the Lāhainā properties, and...and to consider whether you want to waive taxes for all parcels, no matter what their remaining value is. Because a lot of them are going to have significant remaining value, even if it's just for investment purposes. So anyway, I'd just put all of that off. You could...you don't need to decide any more waiver now. If you want to increase the amount of properties that are getting the Mayor's waiver this year, you do need to do that this year. But again, I'm...I wish you would take more time and look at what the likely remaining value's going to be and what property class they're in. Because people that own second homes and lost them in the fire, you know, they've lost part of their investment, but certainly not all of it, and maybe not even the most valuable part if the land is more valuable. So...and anyway, property tax

### November 16, 2023

waivers, I would wait on. As to the proposals to amend the long-term rental exemption, you do need to do that this year. I'm glad to hear the Department can deal with a January 31st deadline for filing that stuff instead of December 31st. And I...it's...also, I want to make sure you understand that the...the Department's proposal is a little odd, in that they're going to give the new long-term rental people who qualify because they're renting to fire-displaced families the exemption for property...for long-term rental, but they're not going to give them the long-term rental tax rate. If they're a nonowner-occupied parcel now, and they're going to now start renting out, they get the long-term rental exemption, but they don't get the long-term rental tax rate...which is fine with me, I just...just want to make sure you...you all understand that difference. And that's basically...that's all I really need to say for this issue.

CHAIR SUGIMURA: Any questions for Mr. Williams? Here's Alice Lee...Chair.

- COUNCILMEMBER LEE: Yeah. Hi, Mike, good to see you. I...I just wondered if you would then agree that giving them the exemption and not necessarily the tax rate would be an incentive for them to convert to long-term rental?
- MR. WILLIAMS: Well, it's...yeah. It's a \$300,000, you know, whatever their tax rate is. Nonowner-occupied taxes, I forget, what are they, 7 or 8 bucks? So, it would save them 2 or \$3,000 a year...yeah, that's the incentive. It's not a huge incentive, but it's certainly some incentive.
- COUNCILMEMBER LEE: Okay. I'm just asking because we need to convert 5, 6, 700, you know, as soon as possible.
- MR. WILLIAMS: Well, if...if I were to...if I would...I would...wish the Department had said, if you're going to qualify for the long-term rental exemption, you qualify for the long-term rental tax class and you get the lower rate, as well as the exemption. Because that will increase the incentive --

COUNCILMEMBER LEE: Yeah.

MR. WILLIAMS: -- on any nonowner-occupied owner, or any short-term rental owner, to convert to long-term rental.

COUNCILMEMBER LEE: Right. Okay. Thank you.

- CHAIR SUGIMURA: Thank you very much. Okay, any other testifiers? We have one more, yeah, you said?
- MS. APO TAKAYAMA: Chair, the next and final testifier is Tom Croly.

### November 16, 2023

MR. CROLY: Aloha, Council. Tom Croly, on my own behalf. You have received at least two sets of testimony from me, written, and I hope that...that you've had the time to review that. I'm not going to take the time to...to go over that. But Ms. Martin gave us some very good information today, something that I think none of us knew before, and that is there is a part of the Code that specifically deals with properties that are destroyed by disasters. And wow, that really should be where we're going to, to address this issue. And that part of the Code says, if a property is destroyed, that person doesn't have to pay tax for the portion of the year that the property is destroyed. I would submit that all the properties in the burn zone have been destroyed for this moment because none of them may be used or occupied at this moment. So....so, those...that...that Code may need to be revised a little bit, but I think that that is the right place to apply the tax relief for the people within the burn zone who are not able to access their properties, they're not able to live in their properties, they're not able to make it a long-term rental for someone. I mean, it's just silly to say we're going to charge you short-term rental taxes, or even long-term rental taxes, when they can't make either of those uses. So,...so, I think that we do need to take a close look at...at Chapter 3.48.230 and see how do we need to modify that. It's probably just one line that we need to put into that, which would then allow the taxes to be waived from August 8th on to the end of this tax year. And then, as Mr. Williams points out, what we're going to do for next tax year, we...we have a little bit of leeway. We can figure out how we're going to deal with that, you know, later, but...but the...the emergency would be that. On the second issue, which you've all heard from me multiple times on already, which is the, how can we incentivize short-term rental owners to convert their properties to long-term rentals? I would submit that what the Department has submitted will get you zero. You'll get none. You'll get absolutely none out of...out of that small incentive. Even waiving property taxes 100 percent isn't going to get you all that you hope for, but it'll get you some. But we need to put that together in a broader package with the FEMA money, and with...with...with the declarations that the...that the Governor has made, and mail it directly to these owners as...as a possibility, and appeal to them, which hasn't been done to this point. Please, we need you to put your property up to house someone. And if you do this, here's what we can do for you. So, we are really just at the beginning of this. We...we shouldn't kid ourselves and think that these people are going to jump at the opportunity to save 2,000 or \$3,000 on their \$20,000 tax bill if they give up their use of the property. And the one other thing I want everyone to understand. ...(timer sounds)... The majority of transient vacation rental, short-term rental properties in West Maui are part-time residents' homes. They're not strictly investment vehicles. They're people who are coming here and spending up to six months here in their...in their units. So, we're asking them, don't come. Give up your...your use...give up half of your year coming to...to Maui. So, we really need to...to give them a good incentive to do that. You're not going to solve this at the next meeting,

### November 16, 2023

but...but I think that we need to go down those two paths to...to address these two items. Thank you for the moment, Chair.

- CHAIR SUGIMURA: Clarifying question. So, what would you recommend? What would be enticing?
- MR. CROLY: So...yes. So, I had some ideas prior to...to hearing what the...the Tax Department had to say today. And one of them was, we look at if the properties have...have been occupiable by the end of this fiscal year, by...or, the end of this calendar year, by December 31st. If they haven't, and these people have already paid their first half of the year, then we say, we're going to use the money that you paid in the first half of the year to apply to your second half of the year payment. So, we're not going to collect money from you in February. And then, if in June, they...we...they still can't occupy their properties, then we say, okay, we're going to carry over the money that you paid there to the next tax payment. So essentially, we will be suspending their tax payments until those folks are able to occupy their properties. Then the key thing becomes, how do we determine what's occupiable? And someone is going to have to set some parameters to do that, you know? And with respect to the...making...converting short-term rentals, like I say, my ideas there are, we need to come up with a program that really looks like a nice package, and then mail it...direct mail it to the people via Real Property Tax's records, to say, here's what we can do for you if you can help us at this moment. And...and I think people will respond to that type of appeal. Thank you, Chair.
- CHAIR SUGIMURA: So, leapfrogging forward. Okay, thank you very much. I'm sure that's in your testimony, so we can have the --
- CHAIR SUGIMURA: -- Finance Committee look at it. We're at bare quorum, and...any other testifiers? None.
- MS. APO TAKAYAMA: Chair, there's no further individuals signed up to testify at this time. I'll do the last call...three, two, one. No other individuals signed up to testify at this time.
- CHAIR SUGIMURA: Okay. You know, I have a letter that I prepared, and I've held off sending it to Finance, thinking that maybe we...we wouldn't have quorum tomorrow, and I could send it, and they could answer it for the 21st. And...so, I've been holding it. What would you like me to do, Mr. Krueger? Read this? Would that be --

COUNCILMEMBER PALTIN: Send it.

#### November 16, 2023

CHAIR SUGIMURA: I wanted to add what you --

COUNCILMEMBER LEE: Give it to Marcy.

- MR. KRUEGER: Chair, we...we can either process the letter, or we can hold it until after tomorrow's meeting.
- CHAIR SUGIMURA: No, let's...let's process it. Let's send it. Okay, Members. I'm going to...can I read it to them real fast? If we're going to --

COUNCILMEMBER LEE: Just send it to us.

COUNCILMEMBER PALTIN: Yeah, send it to us.

CHAIR SUGIMURA: Send it to you? Oh, okay. Can you send it to them?

COUNCILMEMBER PALTIN: Send it to everyone.

- MR. KRUEGER: It's in draft form right now, Chair. And...and yes, we just wanted to notify you that we are at risk of losing quorum. I...I believe the...the people at the MACC are being asked to leave.
- CHAIR SUGIMURA: Oh, okay. So, Members, what I'm going to do is send this letter to you, you can look at it. I'm going to also send the same letter--if I can, yeah?--to Finance for Marcy Martin. Because we're asking her...it's the map, it's questions, it's...I'm trying to get data so when we talk about this...what does zone 4 mean, what does zone 5 mean, and, you know, what does it cost us, right? And what is something that you're willing to do because there is a cost to our decisions. So, Members, we're going to send --

COUNCILMEMBER LEE: No objections to recessing.

- CHAIR SUGIMURA: -- it to...okay. ...(*laughing*)... I'm going to send this to all of you...right, James? And I'll sign it.
- MR. KRUEGER: Yes, Chair. Once it's processed, we can . . . (inaudible). . .
- CHAIR SUGIMURA: Okay. Okay. Thank you very much, everybody. This meeting is now in...this...this is going to be --

COUNCILMEMBER LEE: Recess.

MS. NAKATA: Excuse me, Chair.

CHAIR SUGIMURA: -- recess, tomorrow we're going to come back at 1:30, right?

### November 16, 2023

CHAIR SUGIMURA: Here's Carla.

- MS. NAKATA: Oh, sorry for interrupting, but did you have a chance to close testimony on this item?
- CHAIR SUGIMURA: Oh, we didn't. Okay, I'll close public testimony with your approval and receive written testimony.
- COUNCILMEMBERS: No objections.
- CHAIR SUGIMURA: Okay, no objections.

## ... CLOSE OF PUBLIC TESTIMONY (BFED-35) ...

- CHAIR SUGIMURA: So, we did that. Okay. And then what? We'll do the letter to everybody.
- MR. KRUEGER: And Chair, just to clarify for the recess, yes, it...it is for tomorrow on November 17th, 1:30 p.m., with the same connections, BlueJeans link, and with the same in-person testimony site here at the Council Chamber.

CHAIR SUGIMURA: Okay. Got it everybody? Thank you.

COUNCILMEMBER LEE: Okay, bye.

CHAIR SUGIMURA: Thank you very much. Sorry. I know that the CNA convention is going, but...all right. So, this meeting...this agenda is deferred until tomorrow...we're going to recess this? Yeah. Okay, we can just recess. So, tomorrow the 17th, 1:30. Thank you, everybody, for being here, and you will get copies of this letter and the map. Thank you. ...(gavel)...

RECESS: 5:07 p.m.

APPROVED:

NUR

YUKI LEI K. SUGIMURA, Chair Budget, Finance, and Economic Development Committee

bfed:min:231116:ch

Transcribed by: Charlotte Hunter

November 16, 2023

# **CERTIFICATION**

I, Charlotte Hunter, hereby certify that pages 1 through 73 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 15th day of December 2023, in Wailuku, Hawai'i

Charlotte Hunter

Charlotte Hunter